Majid Al Futtaim Properties LLC
Consolidated Financial Statements

For the year ended 31 December 2015

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Consolidated Financial Statements

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Directors' Report

The Directors' Report and the audited consolidated financial statements of Majid Al Futtaim Properties LLC ("the Company") and its subsidiaries (collectively referred to as "MAFP Group") are presented for the year ended 31 December 2015. The consolidated financial statements were prepared by management. Management has taken responsibility for the fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards and the UAE Company Law No. 2 of 2015 and has given clearance for issuance of these consolidated financial statements on 2 March 2016.

Activities

MAFP Group is made up of three business units; Shopping Malls, Hospitality, Communities. With effect from 1 January 2015, Project Management has developed into a fourth Business Unit of the MAFP Group. MAFP Group has been able to build and maintain a leading position in shopping malls development, operations and asset management within the MENA region, with over 171 million customer visits last year. MAFP Group continually seeks new opportunities for expansion of its four businesses into countries across the region and adjacent countries. The hospitality business focuses on the development and asset management of hotels attached to the MAFP Group shopping malls or within master-planned communities or stand-alone mid-scale and budget hotels and uses third party global operators for operational management of its hotels. The communities business focuses on developing a mix of land, residential and commercial properties throughout the region. The Project Management business focuses on providing fee-based advisory and project management services to Shopping Malls, Hospitality and Communities business units. MAFP Group's business units also provide fee-based advisory, development and management services to investee companies and related parties.

2015 significant developments

In September 2015, MAFP Group opened "Me'aisem City Centre" in Dubai which is its new neighbourhood retail concept that is focused on offering a balanced mix of practical and lifestyle-oriented stores for residents in local communities. Also in the same month MAFP Group opened the extension of Mall of the Emirates.

In November 2015, MAFP Group opened the expansion of City Centre Muscat.

In December 2015, MAFP Group opened the Kempinski Hotel Mall of the Emirates following a renovation. In the same month, MAFP Group opened Hilton Garden Inn, Mall of the Emirates in Dubai.

Financial results

The internal management reports, as explained in note 5 to these consolidated financial statements, are used to review the performance of the business units. An extract of the financial results by business unit, as set out in the management reports, is as follows:

	Revenue		**EBITDA**		**Management Net Profit**	
Business Unit	**AED in millions**	**% versus prior year**	**AED in millions**	**% versus prior year**	**AED in millions**	**% versus prior year**
Shopping malls business unit	3,358.7	7%	2,463.5	6%	4,223.0	28%
Hotels business unit	682.1	(2%)	262.0	(10%)	330.9	(48%)
Communities business unit	28.6	(83%)	(110.9)	83%	(120.3)	(186%)
Project management business unit	83.9	100%	-	-	-	-
Corporate support	-	-	(55.9)	(68%)	(523.8)	(29%)
MAFP consolidated	**4,153.3**	**4%**	**2,558.7**	**7%**	**3,909.8**	**18%**

Directors' Report (continued)

Financial results (continued)

The net profit of MAFP Group, as per these consolidated financial statements, for the year ended 31 December 2015 was AED 3,527 million (2014: AED 2,775 million), an increase of 27% as compared to last year. The major items that are included in the net profit are as follows:

- Net valuation gain on land and buildings for the year 2015 amounted to AED 1,743 million (2014: AED 1,229 million);
- Depreciation and amortization for the year 2015 amounted to AED 364 million (2014: AED 346 million);
- Net finance costs for the year 2015 amounted to AED 267 million (2014: AED 314 million);
- Net reversal of impairment for the year 2015 amounted to AED 57 million (2014: impairment provision of AED 135 million);
- Share of loss in joint ventures and associate for the year 2015 amounted to AED 43 million (2014: share of profit of AED 42 million); and
- Income tax charge for the year 2015 amounted to AED 131 million (2014: AED 51 million).

Dividend / Coupon

In the current year the Company declared a coupon of AED 220 million (2014: AED 220 million), at the rate of 8% per annum on the amount outstanding towards the subordinated capital loan instrument for a one year period from 06 October 2014 to 05 October 2015. Furthermore the Company declared a dividend of AED 13 million in the previous year.

Board of Directors

Richard North
Thom Wernink – (Appointed January 1st 2015 & resigned February 15th 2016)
Jaap Gillis
Abdullah Al Ghurair
Salem Al Ghurair
Neil Jones
Iyad Malas - (Resigned February 2nd 2015)

Auditors

A resolution dealing with the reappointment of the auditors of Majid Al Futtaim Properties LLC shall be proposed at the forthcoming general meeting.

On behalf of the Board of Directors

Company Secretary

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United Arab Emirates

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Independent Auditors' Report

The Shareholders
Majid Al Futtaim Properties LLC

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

iii) the Group has maintained proper books of account;

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

v) as disclosed in note 14.1 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2015;

vi) note 17 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

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

KPMG Lower Gulf Limited

Date: 02 MAR 2016

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

	Note	2015 AED'000	2014 AED'000
Revenue	6	**4,090,866**	3,858,524
Operating expenses	7	**(1,890,295)**	(1,776,468)
Other expenses - net	9	**(32,934)**	(77,548)
Impairment reversal / (provision)	10	**56,997**	(135,332)
Share of (loss)/ profit from joint ventures and associate - net	14	**(42,949)**	41,579
Finance income	8.1	**15,645**	15,400
Finance costs	8.2	**(282,905)**	(329,290)
Profit before net valuation gain on land and buildings and tax		**1,914,425**	1,596,865
Net valuation gain on land and buildings	12(i)	**1,743,366**	1,229,000
Profit for the year before tax		**3,657,791**	2,825,865
Income tax charge - net	23.1	**(130,948)**	(50,851)
Profit for the year		**3,526,843**	2,775,014
Profit attributable to:			
Owners of the Company		**3,506,375**	2,756,038
Non-controlling interest		**20,468**	18,976
		3,526,843	2,775,014

The notes on pages 13 to 65 form part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 and 4.

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

	Note	2015 AED'000	2014 AED'000
Profit for the year		**3,526,843**	2,775,014
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net revaluation gain on land and buildings	11(i)	**280,613**	540,162
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences from foreign operations		**(142,026)**	(39,708)
Other comprehensive income for the year, net of tax		**138,587**	500,454
Total comprehensive income for the year		**3,665,430**	3,275,468
Total comprehensive income attributable to:			
Owners of the Company		**3,644,842**	3,256,098
Non-controlling interest		**20,588**	19,370
		3,665,430	3,275,468

The notes on pages 13 to 65 form part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 and 4.

Consolidated statement of financial position
As at 31 December 2015

	Note	2015 AED'000	2014 AED'000
Non-current assets			
Property, plant and equipment	11	**4,933,407**	4,263,804
Investment property	12	**36,319,714**	31,344,021
		41,253,121	35,607,825
Other non-current assets			
Investments in joint ventures and associate	14	**1,099,178**	1,132,332
Long term receivables from related parties	17.1.3	**116,741**	79,779
Long term receivables	16.3	**351,800**	472,124
Intangible asset	15	**72,855**	92,729
Deferred tax asset	23.3	**9,391**	4,154
		1,649,965	1,781,118
Current assets			
Development property	13	**-**	797,771
Inventories		**25,387**	21,416
Receivables and prepayments	16	**435,660**	358,978
Due from related parties	17.1.1	**35,588**	124,384
Cash in hand and at bank	18	**598,895**	474,841
		1,095,530	1,777,390
Current liabilities			
Payables and accruals	19	**2,569,304**	2,313,853
Provisions	20	**81,417**	117,268
Due to related parties	17.1.2	**54,804**	91,306
Loans and borrowings	21	**196,853**	5,601,764
		2,902,378	8,124,191
Net current liabilities		**(1,806,848)**	(6,346,801)
Non-current liabilities			
Loans and borrowings	21	**9,134,213**	2,621,460
Other long term liabilities	22	**83,850**	119,219
Deferred tax liabilities	23.2	**197,752**	91,683
Long term portion of provision for bonus	20	**19,210**	634
Provision for staff terminal benefits	20.1	**69,777**	63,140
		9,504,802	2,896,136
Net assets		**31,591,436**	28,146,006

Consolidated statement of financial position (continued)
As at 31 December 2015

	Note	2015 AED'000	2014 AED'000
Equity:			
Share capital	24.1	**3,500,000**	3,500,000
Shareholder contribution	24.2	**2,938,430**	2,938,430
Revaluation reserve	24.3	**14,268,688**	13,988,075
Other reserves		**10,552,265**	7,408,036
Equity attributable to owners of the Company		**31,259,383**	27,834,541
Non-controlling interest		**332,053**	311,465
Total equity		**31,591,436**	28,146,006

The notes on pages 13 to 65 form part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 and 4.

By Order of the Board on 2 March 2016.

Chief Executive Officer - Majid Al Futtaim Holding LLC
on behalf of the Corporate Executive Committee (CEC)

Chief Financial Officer

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

	Note	2015 AED'000	2014 AED'000
Operating activities			
Profit for the year after tax		**3,526,843**	2,775,014
Adjustments for:			
Finance income	8.1	**(8,855)**	(15,400)
Finance cost	8.2	**277,510**	329,290
Net (reversal)/ provision for impairment	10	**(56,997)**	135,332
Net valuation gain on land and buildings	12(i)	**(1,743,366)**	(1,229,000)
Tax charge - net	23.1	**130,948**	50,851
Depreciation	11	**344,230**	325,934
Amortisation of intangible asset	15	**19,874**	19,874
Gain on disposal of property, plant and equipment and investment property	9	**(402)**	(992)
Fixed assets / project costs written off	9	**9,721**	3,828
Share of loss/(profit) in joint ventures and associate - net	14	**42,949**	(41,579)
Operating profit before working capital changes		**2,542,455**	2,353,152
Changes in:			
Inventories		**(3,971)**	85
Receivables and prepayments		**48,940**	56,239
Payables and accruals		**295,645**	392,039
Due (from) / to related parties		**34,702**	88,680
Provisions and employee benefits		**(10,638)**	3,353
Tax paid		**(38,199)**	(41,430)
Net cash from operating activities		**2,868,934**	2,852,118
Investing activities			
Additions to property, plant and equipment	11	**(780,836)**	(416,096)
Additions to investment property	12	**(2,661,064)**	(2,120,886)
Additions to development property	13	**-**	(721,666)
Proceeds from sale of fixed assets		**1,761**	4,239
Partial recovery of fully-impaired investment	10	**107,053**	-
Encashment of fixed deposits	18	**1,099**	8,370
Payment of liability for acquisition of intangible asset	22(ii)	**(28,564)**	(26,448)
Interest received		**7,563**	6,466
Net cash used in investing activities		**(3,352,988)**	(3,266,021)

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

	Note	2015 AED'000	2014 AED'000
Financing activities			
Long term loans received	21.1 & 21.2	**1,783,411**	2,565,560
Long term loans repaid	21.1 & 21.2	**(865,180)**	(1,796,521)
Finance costs paid		**(268,520)**	(283,013)
Net cash fromfinancing activities		**649,711**	486,026
Net increase in cash and cash equivalents		**165,657**	72,123
Cash and cash equivalents at beginning of the year		**430,431**	358,875
Currency translation effect on cash held		**(5,494)**	(567)
Cash and cash equivalents at end of the year		**590,594**	430,431
Cash and cash equivalents comprise:			
Cash in hand and at bank (excluding deposits of AED 8.3 million (2014: AED 9.4) with maturity of more than 3 months)	18	**590,594**	465,411
Less: bank overdraft	21	**-**	(34,980)
		590,594	430,431

The notes on pages 13 to 65 form part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 and 4.

Consolidated statement of changes in equity
For the year ended 31 December 2015

	Attributable to the equity holders of the company								
			--------Other reserves--------						
	Share capital AED'000	Share-holder contribution AED'000	Revaluation reserve AED'000	Retained earnings AED'000	Statutory reserve AED'000	Currency translation reserve AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
At 1 January 2014	3,500,000	2,938,430	13,447,913	4,436,150	771,846	(295,896)	24,798,443	76,585	24,875,028
Total comprehensive income for the year									
Profit for the year	-	-	-	2,756,038	-	-	2,756,038	18,976	2,775,014
Other comprehensive income									
Net revaluation gain on land and building (refer note 11(i))	-	-	540,162	-	-	-	540,162	-	540,162
Foreign currency translation differences from foreign operations	-	-	-	-	-	(40,102)	(40,102)	394	(39,708)
Total comprehensive income for the year	-	-	540,162	2,756,038	-	(40,102)	3,256,098	19,370	3,275,468
Transactions with owners of the Company, recorded directly in equity									
Contributions by and distributions to owners of the Company and other movements in equity									
Increase in non-controlling interest by way of land contribution	-	-	-	-	-	-	-	215,510	215,510
Transfer to statutory reserve (refer note 24.4)	-	-	-	(131,188)	131,188	-	-	-	-
Coupon declared (refer notes 24.2.2 & 17(iv))	-	-	-	(220,000)	-	-	(220,000)	-	(220,000)
Dividend declared (refer note 17(iv))	-	-	-	(13,000)	-	-	(13,000)	-	(13,000)
Other adjustments	-	-	-	13,000	-	-	13,000	-	13,000
Total contributions by and distributions to the owners of the Company	-	-	-	(351,188)	131,188	-	(220,000)	215,510	(4,490)
At 31 December 2014	3,500,000	2,938,430	13,988,075	6,841,000	903,034	(335,998)	27,834,541	311,465	28,146,006

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

	Attributable to the equity holders of the company								
				---Other reserves---					
	Share capital AED'000	Share-holder contribution AED'000	Revaluation reserve AED'000	Retained earnings AED'000	Statutory reserve AED'000	Currency translation reserve AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
At 1 January 2015	3,500,000	2,938,430	13,988,075	6,841,000	903,034	(335,998)	27,834,541	311,465	28,146,006
Total comprehensive income for the year									
Profit for the year	-	-	-	3,506,375	-	-	3,506,375	20,468	3,526,843
Other comprehensive income									
Net revaluation gain on land and building (refer note 11(i))	-	-	280,613	-	-	-	280,613	-	280,613
Foreign currency translation differences from foreign operations	-	-	-	-	-	(142,146)	(142,146)	120	(142,026)
Total comprehensive income for the year	-	-	280,613	3,506,375	-	(142,146)	3,644,842	20,588	3,665,430
Transactions with owners of the Company, recorded directly in equity									
Contributions by and distributions to owners of the Company and other movements in equity									
Transfer to statutory reserve (refer note 24.4)	-	-	-	(237,246)	237,246	-	-	-	-
Coupon declared (refer notes 24.2.2 & 17(iv))	-	-	-	(220,000)	-	-	(220,000)	-	(220,000)
Total contributions by and distributions to the owners of the Company	-	-	-	(457,246)	237,246	-	(220,000)	-	(220,000)
At 31 December 2015	**3,500,000**	**2,938,430**	**14,268,688**	**9,890,129**	**1,140,280**	**(478,144)**	**31,259,383**	**332,053**	**31,591,436**

The notes on pages 13 to 65 form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

Majid Al Futtaim Properties LLC ("the Company") was registered as a limited liability company in the Emirate of Dubai, United Arab Emirates ("UAE") on 5 February 1994.

The principal activities of the Company and its subsidiaries are investing in and operating and managing commercial projects including shopping malls, hotels, residential, leisure and entertainment and investing in joint ventures and associates. The Company and its subsidiaries are collectively referred to as "MAFP Group". The registered address of the Company is P.O. Box 60811, Dubai, UAE. The Company is a wholly owned subsidiary of Majid Al Futtaim Holding LLC ("MAFH"), which in turn is a wholly owned subsidiary of Majid Al Futtaim Capital LLC ("MAFC"), the ultimate holding entity. The registered address of MAFC is P.O. Box 91100, Dubai, UAE.

2. Basis of preparation

(a) Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

UAE Federal Law No 2 of 2015, being the Commercial Companies Law ("UAE Companies Law of 2015") was issued on 1 April 2015 and has come into force on 1 July 2015. As companies are allowed until 30 June 2016 to ensure compliance with the new UAE Companies Law of 2015, per the transitional provisions contained therein, the Company and its UAE registered entities are deemed to be in compliance as at the reporting date.

These consolidated financial statements include the financial information of the Company and its subsidiaries (refer note 31) and its share of interests in joint ventures and associate (refer notes 14 and 31).

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 2 March 2016.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items, which are measured at fair value:

(i) investment properties; and
(ii) land and building of property, plant and equipment.

(c) Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional currency, and are rounded to the nearest thousands, except wherever stated otherwise.

(d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of MAFP Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Judgements

Information about critical judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are described below:

(i) Accounting for dual use properties

Investment property is property held to either earn rental income or capital appreciation or for both. Certain properties of MAFP Group include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use by MAFP Group in the supply of services or for administrative purposes. Such properties are called “dual use properties”

Properties where portions can be sold or finance-leased separately

In the UAE, Law No. 27 of 2007 Regulating the Ownership of Jointly Owned Properties in the Emirate of Dubai (“the Strata Law”) came into effect from 1 April 2008. Based on the terms of the Strata Law and clarification obtained by the MAFP Group from independent legal advisors, management is of the view that:

- it is possible to divide developed property, such as shopping malls, into separate units;
- strata title can validly be created within the shopping malls and individual units or parts may be sold or subject to long leases; and
- the Dubai Lands Department and the Strata Law both support the above concept.

In countries other than UAE, wherever similar laws exist, the respective properties are split between property, plant and equipment and investment properties based on the leasable value of each portion.

Properties where portions cannot be sold or finance-leased separately

Certain properties in the UAE have been developed on land held in the name of the majority shareholder for the beneficial interest of the Company.

In 2015, the title for the properties in the UAE that had been developed on land gifted by the Ruler of Dubai to the majority shareholder of the ultimate holding entity, has been registered with the Dubai Land Department in return for a fee paid by the Company, thereby, granting the Company freehold title to these plots. Accordingly, management is of the view that these properties can now be treated as those where portions can be sold or finance-leased separately (refer notes 11(iv) and 12(iv)).

Furthermore, due to legal restrictions in Oman, properties cannot currently be sold or finance-leased separately.

Accordingly the properties held in Oman cannot be split between property, plant and equipment and investment properties. Consequently, the entire property is classified as investment property only if an insignificant portion is held for own use.

MAFP Group estimates the level of own use of properties that cannot be sold or finance-leased separately using leasable value of the self-occupied and let out portions of the respective properties. If the level of own use of a property, as determined by leasable value, is insignificant, the property is classified as investment property, otherwise, it is classified as property, plant and equipment.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Judgements (continued)

(ii) Apportionment of fair values between land and buildings

Where the fair value of a property comprises the aggregate value of land and building, the fair value is apportioned between land and buildings based on the reinstatement cost of the building as computed by an external appraiser, unless another appropriate basis is available for allocation.

Change in fair value apportioned to buildings is then allocated to the building structure as it is impracticable to obtain detailed fair value information at each component level of the building from the valuer or to use any other reasonable method of approximation to internally estimate such component values. Consequently, any increase in fair values is allocated to the structure of the buildings and depreciated over the remaining useful lives of the respective buildings.

(iii) Classification of joint arrangement – refer note 3(a)(iii).

(iv) Lease classification – refer notes 3(c) and 22(iii).

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in subsequent years are described below:

(v) Staff terminal benefits

MAFP Group's obligation to pay for staff terminal benefits qualifies as a defined benefit plan under IAS 19. MAFP Group's net liability in respect of staff terminal benefits is calculated by estimating the amount of future benefits that employees have earned in return for their services in the current and prior years, and is discounted to determine the present value of the obligation. The discount rate used is the yield at the reporting date on premium bonds that have maturity dates approximating the terms of MAFP Group's obligations. The principal assumptions for calculation of the provision for staff terminal benefits at the reporting date are as follows:

Discount rate	4%
Future salary increase	5%
Probability of employees staying for a full service period	75%

(vi) Provision for bad debts

Accounts receivables are monitored on a monthly basis for their status of recoverability. Bi-monthly receivables analysis and ageing review meetings are conducted by management.

Shopping Malls business

Past due debts are those debts which are outstanding beyond the agreed credit period. Account receivables are classified according to one of the three categories shown in the table below. The identification shall be on the basis of ageing of the overdue amount. Each ageing bucket is linked to a certain percentage of receivable amounts to be taken as provision. Such percentages reflect the best estimate of unresolved disputed items and potential bad debts. Disputed items may include those related to pricing, delivery quantity or service rendered, and discounts or allowances.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Assumptions and estimation uncertainties (continued)

(vi) Provision for bad debts (continued)

Category of debt	Past due (payment date)	Provision to be created
Good	1 - 30	0%
Doubtful	31 - 60	10%
Doubtful	61 - 90	20%
Doubtful	91 - 180	50%
Bad	Over 180	100%

Where accounts receivable is identified as doubtful or bad then a provision shall be created on the basis of the percentage mentioned above. Refer notes 16.1 and 16.2.

Furthermore, a provision for doubtful/bad debts is also created for receivables that are classified as good but which become doubtful/bad as a result of certain business circumstances such as customer going into liquidation or bankruptcy, litigation, financial difficulties, etc. Such specific incidents are determined on a case-to-case basis.

The calculated provision amounts whether based on above percentage or specific cases will be recognized after netting off against the bank guarantees in hand or the security deposits received provided the Company has the legal right to liquidate such bank guarantees or adjust such deposits against the outstanding receivables.

Communities business

A payment schedule is defined for each customer which is based on construction milestones for the property unit. Uncertainty may arise regarding collectability of receivables if the same is outstanding for a long period and may get classified as doubtful or bad and accordingly a provision for the receivable balance is created.

With respect to cases where possession is already handed over to the customer and payment for the same is still outstanding, management assesses facts and circumstances on a case by case basis and considers an accelerated rate of provision or write off.

(vii) Recognition and measurement of provisions

Key assumptions about the likelihood and magnitude of an outflow of resources is explained in note 20.

(viii)Impairment test

Key assumptions underlying recoverable amounts, including the recoverability of development costs is explained in notes 3(l) and 10.

(ix) Measurement of fair values

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(ix) Measurement of fair values (continued)

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11(vi) property, plant and equipment
- Note 12(viii) investment properties
- Note 4 determination of fair values

3. Significant accounting policies

MAFP Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Certain comparative amounts in the consolidated statement of financial position have been reclassified to conform with the current year's presentation.

(a) Basis of consolidation

These consolidated financial statements present the results of operations and financial position of MAFP Group for the year ended 31 December 2015.

(i) Subsidiaries

Subsidiaries are entities controlled by MAFP Group. MAFP Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements on a line by line basis from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by MAFP Group.

The accounting year-end for all of MAFP Group's subsidiaries is 31 December.

(ii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or an investment depending on the level of influence retained.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Interests in equity-accounted investees

MAFP Group's interests in equity-accounted investees comprise interests in joint ventures and an associate.

Associates are those entities in which MAFP Group has significant influence, but no control or joint control, over the financial and operating policies. A joint venture is an arrangement in which MAFP Group has joint control, whereby MAFP Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

MAFP Group accounts for its interests in associates and joint ventures using the equity method which are recognized initially at cost including transaction costs.

The consolidated financial statements include MAFP Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of MAFP Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

(iv) Non-controlling interests

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

(v) Interest in other entities

MAFP Group does not hold any direct ownership interest in MAF Sukuk Ltd. (a limited liability company incorporated in the Cayman Islands) which is a structured entity. However, based on the terms of the agreement under which this entity is established, MAFP Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct this entity's activities that most significantly affect these returns. MAF Sukuk Ltd. has issued Sukuk Certificates which are listed on London Stock Exchange and subsequently on NASDAQ Dubai and Irish Stock Exchange. Accordingly the results and the financial position of the structured entity are consolidated in these financial statements.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of MAFP Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Business combinations involving entities under common control

Business combinations arising from transfer of interests in entities that are under the control of the shareholder that controls MAFP Group are accounted for as if the acquisition has occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii)Business combinations involving entities under common control (continued)

MAFP Group applies the book value measurement method to all common control transactions. The assets and liabilities acquired or transferred are recognized or de-recognized at the carrying amounts recognized or de-recognized previously in the ultimate holding entity's consolidated financial statements. The components of other comprehensive income of the acquired entities are added to the same components within MAFP Group's other comprehensive income. Any gain/loss arising is recognised directly in other comprehensive income. When a common control entity is sold or transferred, the cumulative amount in the translation reserve related to that entity is reclassified to profit or loss in line with the accounting policy on foreign operations (refer note 3(b)).

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of MAFP Group entities at exchange rates at the date of the transactions.

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

Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency at the exchange rates at the reporting date. Share capital is translated at historical rate. The income and expenses of foreign operations are translated into functional currency at average rates of exchange during the year.

Foreign exchange differences are recognised in other comprehensive income, and accumulated in the currency translation reserve except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When MAFP Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When MAFP Group disposes off only part of its investment in an associate or joint venture that includes a foreign operation, while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3. Significant accounting policies (continued)

(c) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, MAFP Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, MAFP Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If MAFP Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using MAFP Group's incremental borrowing rate.

Leased assets

Assets held by MAFP Group under leases that transfer to MAFP Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in MAFP Group's statement of financial position.

Lease payments

Lease payments incurred as lessee under operating leases are recognised as an expense in profit or loss on a straight line basis over the lease term. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(d) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

Capitalisation of borrowing costs continues until the assets are substantially ready for the intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds.

3. Significant accounting policies (continued)

(e) Finance income and finance costs

Finance income comprises interest income on funds deposited with banks and unwinding of the discount on long term related party receivables. Interest income is recognised as it accrues in profit or loss.

Finance costs comprise interest expense, arrangement fees, participation fees and similar charges on borrowings, unwinding of the discount on provisions and deferred consideration that are recognised in profit or loss.

(f) Capital work in progress

Work in progress in respect of capital expenditure including land is classified as capital work in progress. Interest and other overheads directly attributable to the projects are included in capital work in progress until completion thereof.

Capital work in progress for properties that are being constructed with an intention of building an investment property is carried at fair value.

For other properties that are developed with an intention of constructing an owner occupied property, both the capital expenditure and land are carried at cost, less impairment, if any, until the property is fully developed.

Development expenses are capitalized after successful initial feasibility is conducted and before a site is acquired, subject to an approved budget and formal sign-off of a summary scoping document by management. These development costs are shown as assets under capital work in progress.

Development costs carried forward are reviewed in subsequent periods to ensure that circumstances have not changed such that the criteria for capitalization still holds good. However in circumstances where the criteria has changed, the costs are written-off or provided for to the extent they are believed to be irrecoverable. Regardless of the foregoing, if management has not obtained the Company's Board of Directors approval to proceed to the next development stage within 24 months after its inception, the project will be deemed impaired and the full accumulated work in progress balance of that project (excluding land value, if land has been acquired) will be written off and charged to profit or loss.

(g) Intangible assets

Goodwill

All business combinations are accounted for by applying the purchase method except for acquisition of entities under common control. The excess of cost of acquisition over MAFP Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition is recorded as goodwill. Negative goodwill arising on acquisition is immediately recognised in the profit or loss.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses, if any.

On disposal of a subsidiary / joint venture / associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Significant accounting policies (continued)

(g) Intangible assets (continued)

Other intangible assets

Intangible assets that are acquired by MAFP Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Where the payment term is deferred, the cost of the intangible asset is the cash price equivalent, which is the discounted amount of cash over the payment term.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for the current and comparative years is as follows:

	Life
Metro naming rights	10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if management deems necessary.

(h) Property, plant and equipment

Recognition and measurement

Following initial recognition at cost, developed properties (land and building), mainly comprising hotels and offices, are stated at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and any impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

Land on which development work has started with the intention of constructing property, plant and equipment is fair valued at the date when significant development commences. During the construction period, land is held at its carrying value and development expenditure is carried at cost. Upon completion of construction, the entire property (that is land and building) is carried at revalued amount.

All other items of property, plant and equipment, mainly comprising administrative assets, are stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (components) of property, plant and equipment.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as an investment property. Any gain arising on re-measurement is recognised directly in equity. Any loss is recognised immediately in profit or loss except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to equity.

3. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

Subsequent costs

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

Depreciation

Depreciation is charged to profit or loss so as to write off the cost / revalued amounts of property, plant and equipment by equal instalments on a straight line basis over their estimated useful lives. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed asset, from the date that asset is completed and ready for use.

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

Useful lives of assets for the current and comparative years are as follows:

Category of assets	***Useful life in years***
Buildings	4 - 50 years
Motor vehicles	4 years
Furniture, fixtures and equipment	3 - 4 years
Leisure rides and games	3 - 10 years

Valuation surplus relating to buildings is allocated to the building structure and is depreciated over the remaining useful lives of the respective building structures which range from 35 to 50 years.

Revaluation reserve

Any revaluation increase arising on the revaluation of developed properties is credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of properties is charged to profit and loss except to the extent that it reverses a previously recognised revaluation gain on the property in which case it is debited to revaluation reserve in equity.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in profit and loss in the period the asset is derecognised.

On subsequent disposal or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

3. Significant accounting policies (continued)

(i) Investment property

Recognition and measurement

Investment properties are properties held either to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, certain shopping malls and property being constructed for future use as investment property, is stated at fair value at the reporting date.

Where the fair value of an investment property under development is not reliably determinable, such property is carried at its carrying value and any development cost incurred to date; until the earlier of the date that construction is completed or the date at which fair value becomes reliably measurable.

Gains or losses arising from changes in fair value are included in profit or loss in the period in which they arise. An investment property is derecognised when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss on the retirement or disposal of an investment property is included in profit or loss in the period the property is derecognised.

Reclassification to property plant and equipment

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its deemed cost. Change in fair value up to the date of reclassification is recognised directly in profit or loss.

Leased asset

In case of an operating lease, MAFP Group classifies its leasehold interest as investment property, provided that the leasehold interest meets the rest of the definition of an investment property. In such cases, MAFP Group accounts for the lease as if it were a finance lease (refer note 3(c) for accounting policy on leases).

(j) Development property

Properties in the process of construction or development for the purpose of sale on completion are classified as development properties. These are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing and staff costs capitalized.

When the use of a property changes such that it is reclassified as a development property from investment property, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(k) Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss previously recognised in profit or loss.

3. Significant accounting policies (continued)

(k) Assets held for sale (continued)

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

(l) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Non-financial assets

The carrying amount of MAFP Group's non-financial assets, other than property, plant and equipment and investment properties that are fair valued and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date in order to assess impairment.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(m) Inventories

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

(n) Staff terminal and retirement benefits

Provision for staff terminal benefits is calculated in accordance with the labour laws of the respective country in which they are employed. MAFP Group's net obligation in respect of staff terminal benefits is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods, and is discounted to determine the present value of the obligation. The discount rate used is the yield at the reporting date on premium bonds that have maturity dates approximating the terms of MAFP Group's obligation. Also refer note 2(d)(v).

3. Significant accounting policies (continued)

(n) Staff terminal and retirement benefits (continued)

Under the UAE Federal Law No.7 of 1999 for pension and social security law, employers are required to contribute 12.5% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. MAFP Group's contribution is recognised as an expense in profit or loss as incurred.

(o) Revenue recognition

Revenue comprises amounts derived from the provision of services falling within MAFP Group's ordinary activities and encompasses hospitality services, rental income and leisure and entertainment activities.

Revenue from hospitality services and leisure and entertainment activities is recognised on rendering the services. Revenue from services is recognised on a uniform basis as the right to use the facilities is made available to the customers.

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. Lease incentives granted to lessees are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recorded as income in the period in which they are earned.

(p) Alcohol

The purchase of alcohol for hotels and residence is the responsibility of the relevant Hotel Management Company, and the revenue derived from sale is deemed to be that of the Hotel Management Company. The profit resulting from the sales of alcoholic beverages forms part of the Hotel Management Company's incentive fee.

(q) Financial instruments

(i) Non-derivative financial assets

MAFP Group initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that MAFP Group becomes a party to the contractual provisions of the instrument.

MAFP Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or if MAFP Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset are transferred. Any interest in such transferred financial assets that is created or retained by MAFP Group is recognized as a separate asset or liability.

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

MAFP Group classifies non-derivative financial assets as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

3. Significant accounting policies (continued)

(q) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables (continued)

Loans and receivables comprise cash and cash equivalents, trade and other receivables and related party receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

(ii) Non-derivative financial liabilities

MAFP Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that MAFP Group becomes a party to the contractual provisions of the instrument.

MAFP Group derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

MAFP Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise trade and other payables, accruals, retention payables, long-term loans, income tax payable, bank borrowings and related party balances.

(r) Provisions

A provision is recognised in the statement of financial position when MAFP Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(s) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

3. Significant accounting policies (continued)

(s) Income tax (continued)

(ii) Deferred tax (continued)

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that MAFP Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent it is probable that future tax profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Operating segments

An operating segment is a component of MAFP Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of MAFP Group's other components. All operating segments' operating results are reviewed regularly by MAFP Group's Board of Directors to assess performance.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's head office) and head office expenses.

(u) Discontinued operations

A discontinued operation is a component of MAFP Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the MAFP Group and which:
- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-resale, if earlier.

When an operation is classified as a discontinued operation, the comparative consolidated income statement is reclassified as if the operation has been discontinued from the start of the comparative year.

(v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have accordingly not been applied in preparing these consolidated financial statements. Those which may be relevant to the MAFP Group are set out below. The MAFP Group does not plan to adopt these standards early.

3. Significant accounting policies (continued)

(v) New standards and interpretations not yet adopted (continued)

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financials assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted. Management is currently assessing the impact on its consolidated financial statements from the application of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted. Management is currently assessing the impact on its consolidated financial statements from the application of IFRS 15.

Annual Improvements to IFRSs 2012-2014 Cycle

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead. Management is currently assessing the impact on its consolidated financial statements from the application of these amendments to IAS 19.

Amendment to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. Management is currently assessing the impact on its consolidated financial statements from the application of these amendments to IAS 1.

Amendment to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using an equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss to the extent of the unrelated investors' interests in the new associate or joint venture.

3. Significant accounting policies (continued)

(v) New standards and interpretations not yet adopted (continued)

Amendment to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (continued)

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Management is currently assessing the impact on its consolidated financial statements from the application of these amendments to IFRS 10 and IAS 28 should such transaction arise.

IFRS 16 Leases

IFRS 16 Leases, published in January 2016 supersedes the existing standard, IAS 17 Leases. Mandatory application of IFRS 16 is required with effect from 1 January 2019. The Group can choose to apply IFRS 16 before that date but only if it applies IFRS 15 Revenue from Contracts with Customers. The new standard requires the lessee to recognise operating lease commitments on the balance sheet. IFRS 16 does not require a lessee to recognise assets and liabilities for short-term leases (12 months or less), for leases ending within 12 months of the date of first applying the new standard and for leases of low value assets. A lessee can choose to apply the standard retrospectively to all accounting periods or as a single large adjustment at the date of initial application. The Group is not required to reassess whether existing contracts contain a lease but can choose to apply IFRS 16 to leases already applying IAS 17 as at the date of application, and not apply IFRS 16 to other contracts. Management is currently assessing the impact on its consolidated financial statements from the application of IFRS 16.

4. Determination of fair values

A number of MAFP Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities.

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

The fair value of the investment properties and land and building included within property, plant and equipment is determined twice a year at the reporting date (i.e. 31 December and 30 June) by independent external RICS Chartered Surveyors and Valuers having sufficient current local and national knowledge of the respective property markets. The valuation has been prepared in accordance with the RICS Valuation - Professsional Standards (2014) (the "Red Book"). Internal valuations are carried out quarterly, based on the methods and assumptions used by the external valuer, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Valuation techniques

The following table shows the valuation technique used in measuring the fair value of investment properties and land and building included within property, plant and equipment:

Property Type	Valuation Technique
Shopping Malls	Discounted Cash Flows (DCF): The DCF approach determines the present value of the estimated future net cash flows for each property adopting an asset specific discount rate. An exit yield that reflects the specific risks inherent in the asset is then applied to the final cash flow to arrive at the property valuation. The fair value derived using DCF for Shopping Malls is benchmarked against net initial yield methodology.
Hotels	Discounted Cash Flows (DCF): The fair value derived using DCF for Hotels is benchmarked against capital value per key.

4. Determination of fair values (continued)

Valuation techniques (continued)

Property Type	Valuation Technique
Offices	Income capitalization approach: Fair value is derived by applying asset specific capitalization rate on the net operating income of the property.
Investment Properties Under Construction (IPUC)	Carrying Value: IPUC are measured at fair value once the valuer determines that a substantial part of the project's uncertainty has been eliminated, such that a reliable value can be determined. IPUC are valued by estimating the fair value of the completed investment property and deducting the estimated costs to complete the construction. When the value is deemed not to be reliably determinable, the IPUC is carried at cost of the land plus work in progress until the earlier of the date that construction is completed or the date at which fair value becomes reliably measurable.
Lands	Comparable Market Transactions: Properties held for future development (land bank) are valued using comparable methodology which involves analysing other relevant market transactions. Comparable methodology can involve a parcelisation approach where it is assumed a larger plot is subdivided and sold in smaller lot sizes over a period of time.

5. Segment information and reporting

MAFP Group's goal is the creation of long-term sustainable shareholder value. It does this through the entrepreneurial development and management of fully owned or partially owned shopping malls and synergistic hotel and mixed-use projects where these add value to its shopping malls. It is organized to achieve these goals through three business units; Shopping Malls Business Unit "SMBU", Hotels Business Unit "HOBU" and Communities Business Unit "COBU". With effect from 1 January 2015, Project Management has developed into a fourth Business Unit of the MAFP Group, commonly referred to as "PMBU". Geographic segments are divided into UAE, Oman, Bahrain, Kingdom of Saudi Arabia ("KSA") combined as "GCC", Egypt and Lebanon.

Furthermore in the current year, a number of organizational changes were made in order to strengthen the businesses, reinforce their operating independence and autonomy and focus the efforts towards a successful and sustainable path for growth. As a result the human resources function, the legal team and accounting & finance teams were embedded in the business units. The corporate human capital function, the legal team and accounting and finance teams continue to drive the standards, policies and procedures for its respective functions embedded in the business units and form part of the corporate support functions.

The performance of the business units, as included in the internal management reports, is reviewed by the Board of Directors (the Chief Operating Decision Maker). The Board is collectively responsible for the success of the Company and addresses both routine and non-routine matters such as approving strategy, plans, mergers and acquisitions, developments and expenditures. The Board also oversees budgets and debt or equity funding as well as monitoring performance, key executives and organization structure decisions including delegations of authority.

MAFP Group's four business units are responsible for managing owned assets as well as strategic equity investments or joint ventures defined as those that MAFP Group has management agreements such as asset management agreements or development management agreements. Equity investments or joint ventures without such agreements are considered as non-strategic and governed by corporate centre functions.

5. Segment information and reporting (continued)

Management Reporting

In conjunction with IFRS financial and other financial indicators, MAFP Group relies on non-GAAP profitability measures together with statistical and operating key performance indicators to achieve its business unit and corporate goals. These non-GAAP financial measures are used to supplement IFRS reporting so as to align business reporting with operating performance:

Management Revenue: Statutory reported revenues are adjusted to exclude the impacts of non-cash IAS17 lease accounting impacts, and include the consolidated revenues of managed equity investments or joint ventures revenues.

Business unit EBITDA: This key reporting measure includes the consolidated results of managed equity investments or joint ventures, and is defined as all business unit revenues and operating expenses before finance charges, taxes, depreciation, amortization, impairment charges and fair value changes.

MAFP Group's EBITDA: is considered to be the key measure of MAFP Group's operating performance and cash generation. It is defined as the aggregate of business unit EBITDA less corporate centre overhead expenses, and excludes all finance costs (net), taxes, depreciation, amortization, impairment charges, fair value gains / (losses), share of losses from joint ventures and associate, IAS 17 lease adjustments, foreign exchange gains / (losses), capital expenditure write offs and loss on disposal of subsidiaries.

Business unit Operating Profit: This business unit financial measure is defined as business unit EBITDA after impacts of gross asset fair value changes (irrespective of IAS16 or IAS40 classification); non-cash charges such as depreciation, amortization, impairment and asset write-offs; MAFP Group share in non-managed equity investments' or joint ventures' net profit or loss; minority share of managed equity investments' or joint ventures' net profit or loss; and any gains or losses on asset disposals.

Management Net Profit: This corporate measure is defined as the aggregate of business units' operating profit after finance charges, foreign exchange gains or losses and taxes.

Segment Assets and Liabilities: Relate to assets or liabilities that are directly attributable to business unit or corporate centre functions.

Shopping Malls Business Unit (SMBU)

This business unit leads and manages all aspects of the retail development and management of shopping malls, from regional shopping malls to smaller community centres. As of 31 December 2015 MAFP Group held an ownership interest and management of fourteen income producing properties in the United Arab Emirates, Oman, Bahrain, Egypt and Lebanon. As at the reporting date, MAFP Group's five year plans (2016-2020) include development of eleven new shopping malls and re-development of five existing shopping malls. The business unit conducts its activities through functions such as development, design, leasing, marketing and property management, and also owns a number of leisure and entertainment operations located within its shopping malls.

Revenues from this business unit principally comprise of base minimum rents, percentage rents based on tenant sales volume, mall promotions and media, recovery of common area charges, management fees and revenue generated from leisure and entertainment assets.

Hotels Business Unit (HOBU)

This business unit is responsible for leading the development of hotel assets and asset management of these assets with third-party hotel operators. As of 31 December 2015 MAFP Group held an ownership interest in twelve hotels located in the United Arab Emirates and Bahrain. As at the reporting date, MAFP Group's five year plans (2016-2020) include development of three new hotels.

5. Segment information and reporting (continued)

Hotels Business Unit (HOBU) (continued)

Revenues from this business unit principally comprise of room revenues, food and beverage revenues and management fees.

Communities Business Unit (COBU)

This business unit is responsible for master development of larger master planned lifestyle developments that comprise multiple asset classes, and is responsible for infrastructure, residential and commercial assets within these developments. The business unit is also responsible for managing MAFP Group's portfolio of three office buildings in Dubai, UAE.

Revenues from this business unit principally comprise of sale proceeds upon recognition or leasing revenues from commercial, residential, serviced land or other mixed use assets as well as management fees.

Project Management Business Unit (PMBU)

This business unit provides fee-based advisory, development and management services to Shopping Malls, Hospitality and Communities.

5. Segment information and reporting (continued)

5.1 Management EBITDA and Net Profit – By Business Unit

	SMBU		HOBU		COBU		PMBU		Total - BUs		Corporate Support		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	AED in millions													
Revenue	**3,358.7**	3,130.9	**682.1**	694.8	**28.6**	171.1	**83.9**	-	**4,153.3**	3,996.8	**-**	-	**4,153.3**	3,996.8
Operating expenses	**(818.0)**	(744.4)	**(400.6)**	(385.8)	**(55.9)**	(170.1)	**(83.9)**	-	**(1,358.4)**	(1,300.3)	**-**	-	**(1,358.4)**	(1,300.3)
Asset EBITDA	**2,540.7**	2,386.5	**281.5**	309.0	**(27.3)**	1.0	**0.0**	-	**2,794.9**	2,696.5	**-**	-	**2,794.9**	2,696.5
Support Cost	**(77.2)**	(57.3)	**(19.5)**	(19.4)	**(83.6)**	(61.7)	-	-	**(180.3)**	(138.4)	**(55.9)**	(173.2)	**(236.2)**	(311.6)
EBITDA	**2,463.5**	2,329.2	**262.0**	289.6	**(110.9)**	(60.7)	**0.0**	-	**2,614.6**	2,558.1	**(55.9)**	(173.2)	**2,558.7**	2,384.9
Adjustments for:														
Depreciation and amortisation	**(78.0)**	(66.4)	**(4.9)**	(7.5)	**(2.4)**	(1.4)	-	-	**(85.3)**	(75.3)	**(23.8)**	(19.8)	**(109.1)**	(95.1)
Net valuation (loss) / gain on land and building	**1,991.9**	1,211.3	**85.2**	383.8	**13.8**	144.3	-	-	**2,090.9**	1,739.4	**-**	4.0	**2,090.9**	1,743.4
Capex write off / impairment - net	**(10.6)**	(104.0)	**(11.9)**	(33.5)	**(19.8)**	(3.8)	-	-	**(42.3)**	(141.3)	**107.0**	-	**64.7**	(141.3)
Share of gain/(loss) in JVs and associate - net	**(0.2)**	-	**-**	-	**(34.4)**	47.3	-	-	**(34.6)**	47.3	**-**	-	**(34.6)**	47.3
Non-controlling interest	**(19.1)**	(30.6)	**-**	-	**22.7**	16.6	-	-	**3.6**	(14.0)	**-**	-	**3.6**	(14.0)
Profit on asset disposal / Oth income	**(20.5)**	(3.4)	**0.3**	(0.5)	**-**	-	-	-	**(20.2)**	(3.9)	**-**	0.3	**(20.2)**	(3.6)
Operating profit / (loss)	**4,327.0**	3,336.1	**330.7**	631.9	**(131.0)**	142.3	**0.0**	-	**4,526.7**	4,110.3	**27.3**	(188.7)	**4,554.0**	3,921.6
Income/Deferred tax	**(74.5)**	(17.2)	**-**	-	**6.2**	-	-	-	**(68.3)**	(17.2)	**(56.5)**	(33.7)	**(124.8)**	(50.9)
Foreign exchange gain/(loss)	**(5.6)**	(0.3)	**0.2**	(0.1)	**0.1**	0.1	-	-	**(5.3)**	(0.3)	**(30.5)**	(11.0)	**(35.8)**	(11.3)
Finance (cost)/income - net	**(23.9)**	(30.3)	**-**	-	**4.4**	(1.8)	-	-	**(19.5)**	(32.1)	**(464.1)**	(503.6)	**(483.6)**	(535.7)
Net Profit as per management report	**4,223.0**	3,288.3	**330.9**	631.8	**(120.3)**	140.6	**0.0**	-	**4,433.6**	4,060.7	**(523.8)**	(737.0)	**3,909.8**	3,323.7

5. Segment information and reporting (continued)

5.2 Management EBITDA and Net Profit – By Geographical Segment

	Geographical Performance															
	UAE		Oman		Bahrain		KSA		GCC Total		Egypt		Lebanon		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	AED in millions															
Revenue	**3,176.4**	3,094.2	**179.7**	171.9	**446.7**	426.0	**-**	-	**3,802.8**	3,692.1	**180.0**	163.4	**170.5**	141.3	**4,153.3**	3,996.8
Operating expenses	**(947.8)**	(1,269.8)	**(47.4)**	(47.3)	**(163.6)**	(148.6)	**(3.5)**	(8.3)	**(1,162.3)**	(1,474.0)	**(69.2)**	(33.4)	**(126.9)**	(104.5)	**(1,358.4)**	(1,611.9)
Asset EBITDA	**2,228.6**	1,824.4	**132.3**	124.6	**283.1**	277.4	**(3.5)**	(8.3)	**2,640.5**	2,218.1	**110.8**	130.0	**43.6**	36.8	**2,794.9**	2,384.9
Support Cost	**(197.1)**	-	**-**	-	**-**	-	**(9.2)**	-	**(206.3)**	-	**(18.5)**	-	**(11.4)**	-	**(236.2)**	-
EBITDA	**2,031.5**	1,824.4	**132.3**	124.6	**283.1**	277.4	**(12.7)**	(8.3)	**2,434.2**	2,218.1	**92.3**	130.0	**32.2**	36.8	**2,558.7**	2,384.9
Adjustments for:																
Depreciation and amortisation	**(88.3)**	(79.7)	**(3.1)**	(1.4)	**(7.6)**	(9.0)	**(0.8)**	(0.1)	**(99.8)**	(90.2)	**(4.0)**	(2.9)	**(5.3)**	(2.0)	**(109.1)**	(95.1)
Net valuation (loss) / gain on land and building	**1,988.7**	1,442.4	**18.7**	65.1	**33.4**	165.1	**-**	-	**2,040.8**	1,672.6	**50.1**	70.8	**-**	-	**2,090.9**	1,743.4
Capex write off / impairment - net	**63.2**	(135.3)	**-**	-	**1.5**	-	**-**	-	**64.7**	(135.3)	**-**	-	**-**	-	**64.7**	(135.3)
Provisions write back / (write off)	**-**	0.9	**-**	-	**-**	(0.9)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Share of gain/(loss) in JVs and associate - net	**(69.1)**	56.4	**38.0**	-	**-**	-	**-**	-	**(31.1)**	56.4	**-**	-	**(3.5)**	(9.1)	**(34.6)**	47.3
Non-controlling interest	**3.6**	(14.0)	**-**	-	**-**	-	**-**	-	**3.6**	(14.0)	**-**	-	**-**	-	**3.6**	(14.0)
Profit on Sale of Assets & Other income / (expenses)	**(7.1)**	(5.8)	**(7.8)**	(0.2)	**-**	-	**-**	-	**(14.9)**	(6.0)	**(0.2)**	(3.6)	**(5.1)**	-	**(20.2)**	(9.6)
Operating profit	**3,922.5**	3,089.3	**178.1**	188.1	**310.4**	432.6	**(13.5)**	(8.4)	**4,397.5**	3,701.6	**138.2**	194.3	**18.3**	25.7	**4,554.0**	3,921.6
Income/Deferred tax	**(41.2)**	(0.1)	**(11.4)**	-	**-**	-	**-**	-	**(52.6)**	(0.1)	**(71.0)**	(51.8)	**(1.2)**	1.0	**(124.8)**	(50.9)
Foreign exchange gain/(loss)	**(30.4)**	(11.1)		-	**(0.2)**	(0.1)	**-**	-	**(30.6)**	(11.2)	**(5.0)**	(0.2)	**(0.2)**	0.1	**(35.8)**	(11.3)
Finance (costs)/income - net	**(476.3)**	(515.5)	**(5.1)**	0.3	**(0.1)**	0.1	**-**	-	**(481.5)**	(515.1)	**7.9**	0.6	**(10.0)**	(21.2)	**(483.6)**	(535.7)
Net Profit as per management report	**3,374.6**	2,562.6	**161.6**	188.4	**310.1**	432.6	**(13.5)**	(8.4)	**3,832.8**	3,175.2	**70.1**	142.9	**6.9**	5.6	**3,909.8**	3,323.7

Geographical segments continue to be divided into UAE, Oman, Bahrain, Kingdom of Saudi Arabia ("KSA") combined as "GCC", Egypt and Lebanon. This table is not presented to the CODM on a regular basis; however, it is disclosed in the consolidated financial statements for the readers' information.

5. Segment information and reporting (continued)

5.3 Reconciliation of Management Revenue

	SMBU		HOBU		COBU		PMBU		Total BUs		Corporate Centre		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	AED in millions													
Revenue as per financial statements	**3,339.9**	3,085.7	**682.1**	734.3	**39.0**	38.5	**30.0**	-	**4,091.0**	3,858.5	-	-	**4,091.0**	3,858.5
Reconciling items:														
Inclusion of service charges in statutory revenue	-	-	-	(39.5)	-	-	-	-	-	(39.5)	-	-	-	(39.5)
PMBU Eliminnation	-	-	-	-	-	-	**53.9**	-	**53.9**	-	-	-	**53.9**	-
Intercompany eliminations	-	(2.8)	-	-	-	-	-	-	-	(2.8)	-	-	-	(2.8)
Proportionate consolidation (N-1)	**32.7**	33.4	-	-	**(10.4)**	132.6	-	-	**22.3**	166.0	-	-	**22.3**	166.0
Non-cash IAS-17 lease adjustments	**(13.9)**	14.6	-	-	-	-	-	-	**(13.9)**	14.6	-	-	**(13.9)**	14.6
Revenue as per management report	**3,358.7**	3,130.9	**682.1**	694.8	**28.6**	171.1	**83.9**	-	**4,153.3**	3,996.8	-	-	**4,153.3**	3,996.8

Notes:
(N-1) In the management report, Sharjah Holding Company JSC and Waterfront City SARL, which are MAFP Group's joint ventures are proportionately consolidated.

5.4 Reconciliation of Fair Value Changes in Properties

	SMBU		HOBU		COBU		PMBU		Total BUs		Corporate Centre		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	AED in millions													
Net valuation changes recognised in income statement	**1,708.5**	974.2	**16.8**	104.8	**7.8**	136.5	**-**	-	**1,733.1**	1,215.5	**10.2**	13.5	**1,743.3**	1,229.0
Net valuation changes recognised in equity (IAS16)	**-**	-	**280.6**	542.7	**-**	(2.6)	**-**	-	**280.6**	540.1	**-**	-	**280.6**	540.1
Net valuation changes reported in statutory financial statements	**1,708.5**	974.2	**297.4**	647.5	**7.8**	133.9	**-**	-	**2,013.7**	1,755.6	**10.2**	13.5	**2,023.9**	1,769.1
Reconciling items:														
Less: Fair value accounting adjustments (N-1)	**283.3**	237.1	**(212.2)**	(263.7)	**6.1**	10.4	**-**	-	**77.2**	(16.2)	**(10.2)**	(9.5)	**67.0**	(25.7)
Total fair value adjustments	**283.3**	237.1	**(212.2)**	(263.7)	**6.1**	10.4	**-**	-	**77.2**	(16.2)	**(10.2)**	(9.5)	**67.0**	(25.7)
Net valuation changes reported in management report	**1,991.8**	1,211.3	**85.2**	383.8	**13.9**	144.3	**-**	-	**2,090.9**	1,739.4	**-**	4.0	**2,090.9**	1,743.4

Notes:
(N-1) For the calculation of management report net profit, gross changes in fair value from one reporting date to another are reported in the income statement as compared to the net accounting valuation change computed as per the requirements of IAS 16 or IAS 40 for financial statement purposes (primarily relating to depreciation, IAS 17 adjustments).

5. Segment information and reporting (continued)

5.5 Reconciliation of Management Net Profit

	SMBU		HOBU		COBU		Total BUs		Corporate Centre		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	AED in millions											
Net profit / (loss) as per financial statements - attributable to the owners of the company	**3,956.9**	3,039.0	**(19.5)**	103.5	**(126.4)**	131.7	**3,811.0**	3,274.2	**(304.6)**	(518.2)	**3,506.4**	2,756.0
Reconciling items:												
Fair value adjustments (refer table-5.4)	**283.3**	237.1	**(212.2)**	(263.7)	**6.1**	10.4	**77.2**	(16.2)	**(10.2)**	(9.5)	**67.0**	(25.7)
IAS-16 Fair value changes recognised in equity in financial statements, but in profit or loss in management report (refer table-5.4)	-	-	**280.6**	542.7	-	(2.6)	**280.6**	540.1	-	-	**280.6**	540.1
Depreciation on strategic assets (N-1) not recognized in management report	-	-	**254.1**	249.3		1.1	**254.1**	250.4	**11.0**	10.7	**265.1**	261.1
Coupons declared to MAFH (N-2) on the subordinated capital loan instruments	-	-	-	-	-	-	-	-	**(220.0)**	(220.0)	**(220.0)**	(220.0)
Non-cash IAS-17 lease adjustments (refer table-5.3)	**(14.1)**	14.6	-	-	-	-	**(14.1)**	14.6	-	-	**(14.1)**	14.6
Minority interest adjustment	**(0.2)**	(0.7)	-	-	-	-	**(0.2)**	(0.7)	-	-	**(0.2)**	(0.7)
Other adjustments	**(2.9)**	(1.7)	**27.9**	-	-	-	**25.0**	(1.7)	-	-	**25.0**	(1.7)
Total reconciling items	**266.1**	249.3	**350.4**	528.3	**6.1**	8.9	**622.6**	786.5	**(219.2)**	(218.8)	**403.4**	567.7
Management net profit / (loss)	**4,223.0**	3,288.3	**330.9**	631.8	**(120.3)**	140.6	**4,433.6**	4,060.7	**(523.8)**	(737.0)	**3,909.8**	3,323.7

Notes:

(N-1) - For the management report net profit calculation, depreciation is not charged on strategic assets which are subject to fair valuation. Gross changes in fair value are reported in the management income statement. For the financial statements all assets which are classified under IAS-16 are depreciated and any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

(N-2) - For management report net profit calculation, coupons declared during the year on the subordinated capital loan instruments are shown as a deduction from net profit. For the financial statements, coupons are shown as an appropiation of distributable profit and are adjusted in equity.

5.6 Statutory segment assets and liabilities – By Business Unit

	SMBU		HOBU		COBU		Total - BUs		Corporate Centre		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	AED in millions											
Segment assets	**36,845.3**	31,731.9	**4,599.5**	3,977.9	**2,185.2**	2,922.0	**43,630.0**	38,631.8	**368.5**	534.5	**43,998.5**	39,166.3
Segment liabilities	**(4,325.0)**	(3,646.7)	**(188.0)**	(152.2)	**(32.3)**	(21.0)	**(4,545.3)**	(3,819.9)	**(7,861.7)**	(7,200.4)	**(12,407.0)**	(11,020.3)
Net Assets (N-1)	**32,520.3**	28,085.2	**4,411.5**	3,825.7	**2,152.9**	2,901.0	**39,084.7**	34,811.9	**(7,493.2)**	(6,665.9)	**31,591.5**	28,146.0

Notes:

(N-1) - Intercompany balances have been excluded to arrive at the net assets

5. Segment information and reporting (continued)

5.7 Statutory segment assets and liabilities – By Geographical Segment

	UAE		Oman		Bahrain		KSA		GCC Total		Egypt		Lebanon		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	AED in millions															
Segment assets	**31,808.4**	27,930.7	**2,075.0**	1,789.7	**3,315.1**	3,263.4	**1,855.0**	1,836.2	**39,053.5**	34,820.0	**3,188.0**	2,633.7	**1,757.0**	1,712.6	**43,998.5**	39,166.3
Segment liabilities	**(9,841.0)**	(9,070.6)	**(308.0)**	(220.7)	**(216.0)**	(198.7)	**(5.0)**	(5.9)	**(10,370.0)**	(9,495.9)	**(1,310.0)**	(789.7)	**(727.0)**	(734.7)	**(12,407.0)**	(11,020.3)
Net Assets (N-1)	**21,967.4**	18,860.1	**1,767.0**	1,569.0	**3,099.1**	3,064.7	**1,850.0**	1,830.3	**28,683.5**	25,324.1	**1,878.0**	1,844.0	**1,030.0**	977.9	**31,591.5**	28,146.0

Notes:
(N-1) - Intercompany balances have been excluded to arrive at the net assets

5.8 Capital expenditure as reported in the management report

	SMBU		HOBU		COBU		PMBU		Total - BUs		Corporate Centre		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	AED in millions													
Capital expenditure as reported in the internal management report	**2,492**	2,608	**521**	249	**8**	14	**-**	-	**3,021**	2,871	**23**	24	**3,044**	2,895

5.9 Major customer

	SMBU	
5.8 Major customer	**2015**	2014
	AED in millions	
Revenue earned from MAFP Group's related parties (N-1)	**280.1**	254.0

Notes:
(N-1) - MAFP Group's related parties have contributed 8% (2014: 8%) of the total revenue from the Shopping Malls BU for the year ended 31 December 2015.

6. Revenue

	2015 AED'000	2,014 AED'000
Rental income	**3,076,745**	2,829,125
Hospitality revenue	**682,133**	734,623
Leisure and entertainment revenue	**287,754**	280,779
Project management revenue (refer note 17(v))	**29,827**	-
Others (refer note 17(v))	**14,407**	13,997
	4,090,866	3,858,524

7. Operating expenses

	2015 AED'000	2014 AED'000
Staff costs (refer note below)	**(586,368)**	(574,646)
Depreciation (refer note 11)	**(344,230)**	(325,934)
Legal, professional and consultancy fees	**(71,752)**	(96,949)
Selling and marketing expenses	**(171,419)**	(107,268)
Utilities	**(111,293)**	(117,955)
Repairs and Maintenance	**(117,603)**	(112,235)
Amortization charge for intangible asset (refer note 15)	**(19,874)**	(19,874)
Other operating expenses	**(467,756)**	(421,607)
	(1,890,295)	(1,776,468)

Staff costs are net of costs capitalised to various projects amounting to AED 68.6 million (2014: AED 54.9 million).

8. Finance income / (costs) - net

Recognised in profit or loss	2015 AED'000	2014 AED'000
8.1 Finance income		
Interest income	**8,855**	7,931
Unwinding of the discounting of long term receivable from a joint venture (refer notes 17(i) and 17.1.3)	**6,790**	7,469
Finance income	**15,645**	15,400
8.2 Finance costs		
Arrangement and participation fees	**(2,121)**	(19,532)
Interest expense	**(404,823)**	(359,168)
Unwinding of the discounting of finance lease liabilities (refer note 22(iii))	**(5,395)**	-
Less: capitalised interest	**129,434**	49,410
Finance costs	**(282,905)**	(329,290)

Capitalised interest arises on borrowings for development expenditure.

The capitalisation rate used to determine the amount of borrowing cost eligible for capitalization is approximately 3.79% to 12.25% (2014: 4.4% to 12.25%) depending on the effective interest rate over the tenure of the borrowing.

9. Other expenses - net

	2015	2014
	AED'000	AED'000
Land transfer fee (refer note 20 (ii))	**(1,186)**	(40,093)
Foreign exchange loss	**(35,978)**	(11,339)
Gain on disposal of property, plant and equipment and investment property - net	**402**	992
Service charges levied on related parties (refer note 17(v))	**9,177**	13,460
Fixed assets / project costs written off	**(9,721)**	(3,828)
Development expenses written off	**(28,743)**	(50,828)
Other income - net	**33,115**	14,088
	(32,934)	(77,548)

10. Impairment reversal/ (provision)

	2015	2014
	AED'000	AED'000
Impairment of property, plant and equipment (refer note 11)	**(14,336)**	(31,522)
Impairment of capital work in progress in relation to investment property (refer note 12)	**-**	(96,017)
Reversal of impairment on investment (refer note (i) below)	**107,053**	-
Impairment of development properties (refer notes 12(xi) and 13)	**(19,720)**	-
Impairment of investment in joint venture (refer note 14.1)	**(16,000)**	-
Others	**-**	(7,793)
	56,997	(135,332)

(i) In prior years, MAFP Group had paid AED 389 million as an advance to a joint venture, as the Group's contribution against purchase of land. Subsequently, management reassessed the future prospects of the joint venture and an impairment provision was recognized against this advance. During the current year, MAFP Group has received AED 107 million in cash and accordingly the impairment provision has been reversed to that extent.

11. Property, plant and equipment

	Land and buildings AED'000	Motor vehicles AED'000	Furniture, fixtures and equipment AED'000	Leisure rides and games AED'000	Capital work in progress AED'000	Total AED'000
Cost / valuation						
At 1 January 2014	3,196,472	6,291	553,029	362,319	117,922	4,236,033
Additions	156,340	358	-	15,627	243,771	416,096
Disposals / write offs / reversals / other adjustments	-	(341)	(26,086)	(1,510)	-	(27,937)
Capitalized during the year	63,544	-	50,034	-	(113,578)	-
Transfer	14,922	-	-	-	(14,922)	-
Accumulated depreciation eliminated on valuation	(258,211)	-	-	-	-	(258,211)
Net revaluation gain on land and buildings (refer note (i) below)	658,434	-	-	-	-	658,434
At 31 December 2014	3,831,501	6,308	576,977	376,436	233,193	5,024,415
At 1 January 2015	3,831,501	6,308	576,977	376,436	233,193	5,024,415
Additions	347,763	1,942	109,153	20,586	301,392	780,836
Disposals	-	-	-	(3,078)	-	(3,078)
Capitalized during the year (refer note (iii) below)	251,585	-	33,375	-	(284,960)	-
Accumulated depreciation & impairment eliminated on valuation	(280,831)	-	-	(15,454)	(15,882)	(312,167)
Transferred from / (to) investment properties (refer note (ii) below)	(26,002)	-	-	-	-	(26,002)
Net revaluation gain on land and buildings (refer note (i) below)	307,701	-	-	-	-	307,701
At 31 December 2015	**4,431,717**	**8,250**	**719,505**	**378,490**	**233,743**	**5,771,705**
Depreciation and impairment						
At 1 January 2014	-	(4,809)	(375,831)	(305,416)	-	(686,056)
Depreciation charge for the year (refer note 7)	(258,211)	(406)	(65,343)	(1,974)	-	(325,934)
Accumulated depreciation & impairment eliminated on valuation	258,211	-	-	-	-	258,211
Provision for impairment (refer note 10)	(15,640)	-	-	-	(15,882)	(31,522)
Disposals / write offs	-	319	23,151	1,220	-	24,690
At 31 December 2014	(15,640)	(4,896)	(418,023)	(306,170)	(15,882)	(760,611)
At 1 January 2015	(15,640)	(4,896)	(418,023)	(306,170)	(15,882)	(760,611)
Depreciation charge for the year (refer note 7)	(265,191)	(841)	(57,739)	(20,459)	-	(344,230)
Accumulated depreciation & impairment eliminated on valuation	265,191	-	-	13,970	-	279,161
Provision for impairment (refer note 10)	(442)	-	-	-	(13,894)	(14,336)
Disposals / write offs	-	-	-	1,718	-	1,718
At 31 December 2015	**(16,082)**	**(5,737)**	**(475,762)**	**(310,941)**	**(29,776)**	**(838,298)**
Carrying amounts						
At 31 December 2015	**4,415,635**	**2,513**	**243,743**	**67,549**	**203,967**	**4,933,407**
At 31 December 2014	3,815,861	1,412	158,954	70,266	217,311	4,263,804

(i) During 2015, a revaluation gain of AED 307.7 million (2014: AED 658.4 million) has been recognised on property, plant and equipment of which valuation gain of AED 280.6 million (2014: AED 540.2 million) has been credited to other comprehensive income and gain of AED 27.1 million (2014: AED 118.3 million) has been credited to profit or loss (also refer note 12(i)).

11. Property, plant and equipment (continued)

(ii) At 1 January 2015, MAFP Group reclassified one of its office buildings with a carrying value of AED 35.7 million from property, plant and equipment to investment property as the building is no longer owner occupied and has been rented out to external parties. In addition to this, a land amounting to AED 9.7 million was transferred from investment property to property, plant and equipment due to change in the business plans of the Company.

(iii) In the current year MAFP Group completed the construction of a hotel in UAE amounting to AED 251.6 million, which was reclassified from capital work in progress to the respective classes of assets under property, plant and equipment.

(iv) As at 31 December 2015, certain lands were held in the personal name of a majority shareholder of the ultimate holding entity for the beneficial interest of MAFP Group (refer note 2(d)(i)).

(v) If the properties had been measured under the historical cost basis the carrying amounts would have been as follows:

	2015		2014	
	AED'000	**AED'000**	AED'000	AED'000
	Land	**Buildings**	Land	Buildings
Cost	**330,157**	**3,915,291**	206,010	3,463,670
Accumulated depreciation	**-**	**(1,521,252)**	-	(1,382,260)
Net carrying amount	**330,157**	**2,394,039**	206,010	2,081,410

(vi) **Measurement of fair value**

(a) Fair value hierarchy

The fair value measurement for property, plant and equipment of AED 4,415.6 million (2014: AED 3,815.9 million) has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

(b) Significant unobservable inputs

The following table shows the significant unobservable inputs used:

Significant unobservable inputs for hotels			**Significant unobservable inputs for offices**		
	2015	**2014**		**2015**	**2014**
Discount rate:	11.25% - 12.75%	11.25% - 12.75%	Net Initial Yield:	7.00%	8.50%
Income return:	5% - 13%	7.5% - 13%	Income return:	9%	4%
Average occupancy:	75%	75%*	Average occupancy:	97%	100%

*This excludes the occupancy rate of a hotel in UAE which was under construction during the previous year.

Inter-relationship between key unobservable inputs and fair value measurement
The estimated fair value would increase / (decrease) if:
- The occupancy rates were higher / (lower);
- The discount rates were lower / (higher); or
- The income returns were higher / (lower).

12. Investment property

	Land-undeveloped AED'000	Land and buildings AED'000	Capital work in progress AED'000	Total AED'000
At 1 January 2014	609,583	25,793,353	1,620,710	28,023,646
Additions (refer notes (ix) and (x) below)	-	787,334	1,631,710	2,419,044
Disposals / write offs / reversals	-	(61,543)	-	(61,543)
Reclassification	158,844	(20,324)	(138,520)	-
Capitalized during the year (refer note (ii) below)	-	98,469	(98,469)	-
Net valuation gain on investment property (refer note (i) below)	139,866	970,862	-	1,110,728
Provision for impairment (refer note 10)	-	-	(96,017)	(96,017)
Effect of foreign exchange movements	2,906	(29,042)	(25,701)	(51,837)
At 31 December 2014	911,199	27,539,109	2,893,713	31,344,021
At 1 January 2015	911,199	27,539,109	2,893,713	31,344,021
Additions	-	1,704,951	956,113	2,661,064
Disposals / write offs / reversals	-	(5,588)	(47)	(5,635)
Reclassification (refer note (v) below)		113,387	(113,387)	-
Transferred from development property (refer notes 12(x), 12(xi) and 13)	61,351	-	716,700	778,051
Transferred from / (to) property, plant and equipment	(9,688)	35,690	-	26,002
Capitalized during the year (refer note (ii) below)	-	320,429	(320,429)	-
Net valuation gain on investment property (refer note (i) below)	-	1,707,523	8,764	1,716,287
Effect of foreign exchange movements	(3,174)	(89,855)	(107,047)	(200,076)
At 31 December 2015	**959,688**	**31,325,646**	**4,034,380**	**36,319,714**

(i) The following fair value gains - net were recognized in profit or loss:

	2015 AED'000	2014 AED'000
Net gain on valuation of property, plant and equipment (refer note 11(i))	**27,079**	118,272
Net gain on valuation of investment property	**1,716,287**	1,110,728
Total valuation gain - net	**1,743,366**	1,229,000

(ii) In the current year MAFP Group completed the construction of a shopping mall in the UAE amounting to AED 320.4 million (2014: AED 98.5 million) which was reclassified from capital work in progress to land and buildings.

(iii) Certain properties of MAFP Group are mortgaged against bank borrowings. Certain term loans are secured by way of assignment of lease rentals. Also refer note 21.1(d).

(iv) As at 31 December 2015, certain lands were held in the personal name of a majority shareholder of the ultimate holding entity for the beneficial interest of MAFP Group (refer note 2(d)(i)).

(v) In the current year, the extension portion of certain shopping malls was fair valued along with the completed property and hence the capital work in progress was transferred to land and buildings.

12. Investment property (continued)

(vi) Accrued lease income at the reporting date, relating to the accounting for operating lease rentals on a straight line basis as per IAS 17 has been eliminated from the valuation of developed properties, in order to avoid double counting of assets, as mentioned below:

	2015	2014
	AED'000	AED'000
Fair value of land and buildings	**36,513,711**	27,717,969
Less: adjustment for accrued operating lease income	**(193,997)**	(178,860)
Net adjusted fair value	**36,319,714**	27,539,109

(vii) Rental income derived from investment property during the current year was AED 3,077.9 million (2014: AED 2,826.2 million). The direct operating expenses arising from investment property that generated rental income during the current year amounted to AED 736.1 million (2014: AED 657.1 million).

(viii) **Measurement of fair value**

(a) Fair value hierarchy

The fair value measurement for investment property (excluding land) of AED 35,360 million (2014: AED 30,433 million) has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

(b) Significant unobservable inputs used:

Significant unobservable inputs for shopping malls			**Significant unobservable inputs for offices**		
	2015	**2014**		**2015**	**2014**
Discount rate:	11.0% - 19.0%	11.0% - 19.0%	Net Initial Yield:	7.0% – 7.5%	8.0% - 9.5%
Income return:	8.0% - 12.0%	6.0% - 15.0%	Income return:	8.0% - 10.5%	8.0% - 10.5%
Average occupancy:	98%	98%	Average occupancy:	100%	100%

Inter-relationship between key unobservable inputs and fair value measurement
The estimated fair value would increase / (decrease) if:
- The occupancy rates were higher / (lower);
- The discount rates were lower / (higher) ; or
- The income returns were higher / (lower).

(ix) In the previous year a subsidiary of the Company entered into an usufruct contract with the Government of Sultanate of Oman which has provided the subsidiary usufruct rights over two plots of land in Oman for a period of fifty years. The leasehold interest meets the recognition criteria of an investment property and accordingly the Group has accounted for the lease as a finance lease. The land lease capitalized amounts to AED 116.4 million. The land is restricted to be used for commercial purposes in relation to MAFP businesses and the right to renew the lease is reserved with the Government of Sultanate of Oman only. If the lease is not renewed the land and building will be transferred to the Government of Sultanate of Oman at the end of the lease term. Also refer note 22(iii).

(x) In the previous year, MAFP Group purchased a piece of land of AED 1,433.4 million of which AED 716.7 million was classified as investment property under construction with the intention of developing a shopping mall on the site. The remaining portion was classified under development property (refer note 13). Due to change in business plans, this portion of the land has been reclassified back to investment property under construction, at its fair value, as at 31 December 2015.

12. Investment property (continued)

(xi) In 2012 a subsidiary of MAFP Group had transferred a portion of a land amounting to AED 61.3 million from investment property to development property as the subsidiary had begun construction of residential apartments for sale in the ordinary course of business. During the year, management has decided to discontinue the project due to political instability in the country where the project was being constructed and accordingly has recognized an impairment provision on the capital work in progress capitalized and has reclassified the land from development property to investment property, under land undeveloped, at its fair value, as at 31 December 2015 (refer notes 10 and 13).

13. Development property

	2015	2014
	AED'000	AED'000
As at 1 January	**797,771**	76,105
Additions during the year (refer note 12 (x))	**-**	721,666
Transferred to investment properties (refer note 12 (x))	**(716,700)**	-
Transferred to investment properties (refer note 12 (xi))	**(61,351)**	-
Provision for impairment (refer notes 10 and 12 (xi))	**(19,720)**	-
Carrying amount	**-**	797,771

14. Investment in joint ventures and associate

	2015	2014
	AED'000	AED'000
Investment in joint ventures	**1,321,064**	1,387,837
Less: provision for impairment	**(312,854)**	(419,857)
Net investment in joint ventures (refer note 14.1)	**1,008,210**	967,980
Investment in an associate (refer note 14.2)	**90,968**	164,352
At 31 December	**1,099,178**	1,132,332
Share of profit / (loss)		
From joint ventures (refer note 14.1)	**30,435**	53,519
From associate (refer note 14.2)	**(73,384)**	(11,940)
	(42,949)	41,579

14.1 Investment in joint ventures

	2015	2014
	AED'000	AED'000
At 1 January	**967,980**	916,767
Reclassified from due from a related party	**24,504**	-
Share of post acquisition profit accounted through profit or loss - net	**30,435**	53,519
Provision for impairment (refer note 10)	**(16,000)**	-
Foreign currency translation differences	**1,291**	(2,306)
At 31 December	**1,008,210**	967,980

(i) Investments in various entities include capital contributions made by MAFP Group in its capacity as a shareholder. These balances are unsecured and interest free in nature and will not be called for repayment, except at the sole discretion of the respective joint venture entities.

(ii) Sharjah Holding Co. P.J.S.C is a closely held private joint stock company incorporated in the Emirate of Sharjah, U.A.E. and was formed as an equal joint venture between the Company and the Government of Sharjah. The principal activities of this joint venture are planning, investment, development and management of shopping malls, real estate and all other services associated therewith.

14. Investment in joint ventures and associate (continued)

14.1 Investment in joint ventures (continued)

The Wave Muscat S.A.O.C is a closely held joint stock company registered and incorporated in the Sultanate of Oman and was formed as a joint venture between the Company, holding 50%, Waterfront Investments SAOC holding 40% and National Investment Funds Company holding 10% of the shares. This joint venture is primarily engaged in developing an integrated tourism, housing, and commercial property development known as "The Wave – Muscat" situated in the Wilayat of Bausher at Al Azaiba North in Muscat.

Waterfront City S.A.R.L. is a company domiciled in Lebanon and was incorporated as a result of a joint venture agreement between Societe Joseph Khoury et Fils Holding SAL and MAF Lebanon Holding SAL, a subsidiary of MAFP Group. This joint venture is primarily engaged in the development of real estate property, including the construction, sale and management of such real estate properties.

(iii) Summarised financial information in respect of MAFP Group's interest in material joint ventures, based on their financial statements prepared in accordance with IFRS, modified for differences in MAFP Group's accounting policies, is set out below:

	Sharjah Holding Company PJSC		**The Wave Muscat S.A.O.C**		**Waterfront City SARL**	
	2015	2014	**2015**	2014	**2015**	2014
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Revenue	**36,735**	175,831	**507,491**	556,662	**-**	-
Profit/(loss) from continuing operations	**(9,558)**	6,937	**77,792**	118,468	**(7,058)**	(18,366)
Other comprehensive income	**-**	-	**-**	-	**-**	-
Total comprehensive income	**(9,558)**	6,937	**77,792**	118,468	**(7,058)**	(18,366)
Non-current assets	**279,972**	270,018	**297,728**	223,640	**27,233**	35,300
Current assets	**2,485,100**	1,758,443	**2,039,585**	2,062,361	**1,876,014**	1,442,278
Current liabilities	**(2,101,181)**	(1,361,802)	**(938,160)**	(845,996)	**(74,908)**	(90,464)
Non-current liabilities	**(70,558)**	(63,770)	**(892,587)**	(1,007,785)	**(1,098,236)**	(698,960)
Net assets	**593,333**	602,889	**506,566**	432,220	**730,103**	688,154
MAFP Group's interest in net assets of the investee at the year end	**301,445**	297,976	**215,759**	156,526	**344,077**	353,260
Reclassified from due from a related party	**-**	-	**-**	-	**24,504**	-
Share of total comprehensive income/ (loss)	**(4,779)**	3,469	**38,896**	59,233	**(3,529)**	(9,183)
Provision for impairment (refer note 10)	**(16,000)**	-	**-**	-	**-**	-
Others	**-**	-	**(1,372)**	-	**-**	-
Carrying amount of interest in the investee at the year end	**280,666**	301,445	**253,283**	215,759	**365,052**	344,077

(iv) The following is summarized financial information for MAFP Group's interest in immaterial joint ventures, based on amounts reported in MAFP Group's consolidated financial statements:

	2015	2014
	AED'000	AED'000
Carrying amount of interests in immaterial joint ventures	**109,209**	106,698
MAFP Group's share of:		
- Loss from continuing operations	**(154)**	-
- Other comprehensive income	**-**	-
- Total comprehensive income	**(154)**	-

14. Investment in joint ventures and associate (continued)

14.2 Investment in an associate

	2015 AED'000	2014 AED'000
At 1 January	**164,352**	176,240
Share of post acquisition loss accounted through profit or loss	**(73,384)**	(11,940)
Foreign currency translation differences from foreign operations	**-**	52
At 31 December	**90,968**	164,352

(i) Enshaa PSC was registered as a private joint stock company and its principal activities are to deal in and own properties, and to invest in other entities.

(ii) Summarised financial information in respect of MAFP Group's interest in the associate is set out below. The financial information for the current year represents amounts for the nine-month period ended 30 September 2015:

	2015 AED'000	2014 AED'000
Revenue	**2,266,370**	313,101
Loss from continuing operations	**(281,944)**	(46,030)
Post-tax loss from discontinued operations	**-**	(1,855)
Add back loss attributable to non controlling interest	**23,914**	5,901
Total comprehensive income	**(258,030)**	(41,984)
MAFP Group's share of associates loss for the year	**(73,384)**	(11,940)
Total assets	**2,496,674**	3,934,742
Total liabilities	**(2,176,814)**	(3,356,853)
Net assets	**319,860**	577,889
MAFP Group's share of associate's net assets	**90,968**	164,352

15. Intangible asset

During 2008, the Company entered into an agreement with a Government entity in Dubai to acquire naming rights for two stations of Dubai Metro for a 10 year period. As per the agreement, a payment schedule is agreed over the life of the contract. In 2009, upon the Metro becoming operational, management recorded the present value of the total future payments to be made as an intangible asset. The asset is being amortised over the contract period of 10 years.

The intangible asset is measured by discounting the estimated cash flows using the incremental borrowing cost of MAFP Group at 4.5%.

Intangible asset - cost	2015 AED'000	2014 AED'000
At 1 January	**198,743**	198,743
At 31 December	**198,743**	198,743
Amortisation		
At 1 January	**(106,014)**	(86,140)
Amortisation for the year (refer note 7)	**(19,874)**	(19,874)
At 31 December	**(125,888)**	(106,014)
Carrying amounts	**72,855**	92,729

16. Receivables and prepayments

	2015 AED'000	2014 AED'000
Trade receivables, net of provision for doubtful receivables of AED 48.0 million (2014: AED 42.8 million) (refer notes 16.1 and 16.2)	**224,861**	174,270
Accrued income on operating leases	**193,997**	178,860
Advances	**116,335**	92,315
Prepayments	**69,995**	56,076
Other receivables	**20,756**	21,541
At 31 December	**625,944**	523,062
Less: Long term portion of accrued income on operating leases (refer note 16.3)	**(190,284)**	(164,084)
Current portion of receivables and prepayments	**435,660**	358,978

Refer note 17(vi).

16.1 Provision for doubtful receivables

	2015 AED'000	2014 AED'000
At 1 January	**(42,843)**	(47,188)
Net (charge)/ reversal during the year	**(5,385)**	4,163
Write offs during the year	**64**	123
Foreign exchange differences	**149**	59
At 31 December	**(48,015)**	(42,843)

16.2 Ageing of trade receivables

	2015 AED'000	2014 AED'000
Neither past due nor impaired	**178,373**	143,857
Past due 31 - 60 days	**30,571**	17,707
Past due 61 - 90 days	**8,370**	8,971
Past due 91 - 180 days	**10,872**	6,578
Past due over 180 days	**44,690**	40,000
Total trade receivables	**272,876**	217,113
Less provision for doubtful receivables (refer note 16.1)	**(48,015)**	(42,843)
Net trade receivables	**224,861**	174,270

16.3 Long term receivables

	2015 AED'000	2014 AED'000
Advances to contractors	**151,016**	308,040
Long term prepayment	**10,500**	-
Long term portion of accrued income on operating leases	**190,284**	164,084
	351,800	472,124

17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the ultimate parent company, Majid Al Futtaim Capital LLC, its subsidiaries, associates, joint ventures, key management personnel and / or their close family members. Transactions with related parties are carried at agreed terms.

17. Related party transactions (continued)

(i) In the current year, MAFP Group recognized income of AED 6.8 million (2014: AED 7.5 million) in relation to the unwinding of the discount on long term receivable from a joint venture (refer notes 8.1 and 17.1.3).

(ii) Interest expenses on loans from related parties amounted to AED 201.0 million (2014: AED 208.4 million).

(iii) MAFP Group has provided corporate guarantees of AED 5,732.1 million (2014: AED 6,356.8 million) to various banks in respect of loans obtained by MAFH. MAFP Group has also co-guaranteed hybrid perpetual note instruments of AED 1,836.5 million (2014: AED 1,836.5 million) that has been issued by a subsidiary of MAFH. Also refer note 27.

(iv) In the current year the Company declared a coupon of AED 220 million (2014: AED 220 million), towards the subordinated capital loan instrument subscribed by MAFH (refer note 24.2.2). Furthermore, in the previous year, the Company declared a dividend of AED 13 million which was settled against the loan due to MAFH (refer note 21.2).

(v) Services provided to / by MAFP Group by / to related parties:

	2015	2014
Services provided to MAFP Group by related parties	**AED'000**	AED'000
Treasury, corporate secretarial services, internal audit and others	**(5,109)**	(5,033)
Facility management services	**(89,561)**	(78,613)
	(94,670)	(83,646)
Services provided by MAFP Group to related parties		
Provision of retail and office space	**280,678**	254,011
Asset management fees charged to a joint venture (refer note 6)	**2,533**	2,853
Sales commission charged to a joint venture (refer note 6)	**1,550**	4,399
Development management fees charged to a joint venture (refer note 6)	**10,324**	6,745
Project management fees charged to joint ventures (refer note 6)	**29,827**	-
Charges for IT and other services (refer note 9)	**9,177**	13,460
	334,089	281,468

(vi) Included within trade receivables, are related party balances amounting to AED 31.9 million (2014: AED 5.1 million) on account of the lease rentals and other tenant receivables.

17.1 Related party balances

17.1.1 Due from related parties	**2015**	2014
	AED'000	AED'000
Sharjah Holding LLC	**24,388**	28,479
Yenkit Tourism Development LLC	**15,063**	15,063
Al Mamzar Islands Development LLC	**6,727**	6,727
Aya Real Estate Investment BSC	**4,387**	4,322
The Wave Muscat S.A.O.C	**4,028**	5,629
Arzanah Mall LLC	**3,171**	3,171
Majid Al Futtaim Ventures LLC	**1,618**	2,576
Waterfront City SARL	**1,332**	25,577
The Egypt Emirates Malls Group PJSC	-	31,297
Majid Al Futtaim Cinemas LLC	-	29,473
Majid Al Futtaim Leisure and Entertainment LLC (refer note below)	-	22,816
Other related parties	**1,392**	1,237
	62,106	176,367
Less: Provision for doubtful receivables (refer note below)	**(26,518)**	(51,983)
	35,588	124,384

In the current year, the provision for doubtful receivables amounting to AED 24.5 million was written off against the receivable balance from Majid Al Futtaim Leisure and Entertainment LLC.

17. Related party transactions (continued)

17.1 Related party balances (continued)

17.1.2 Due to related parties	**2015**	2014
	AED'000	AED'000
Majid Al Futtaim Holding LLC	**49,985**	75,030
Majid Al Futtaim Capital LLC	**2,063**	3,601
Majid Al Futtaim Retail LLC	**772**	12,125
Majid Al Futtaim Dalkia Middle East LLC	**562**	276
Majid Al Futtaim Finance LLC	**-**	274
Majid Al Futtaim Leisure and Entertainment LLC	**1,422**	-
	54,804	91,306

17.1.3 Long term receivables from related parties	**2015**	2014
	AED'000	AED'000
Receivable from related parties (refer note (i))	**111,000**	82,162
Less: discounting of receivable	**(26,044)**	(26,044)
Add: unwinding of the discounting of receivable (refer notes 8.1 and 17(i))	**14,259**	7,469
	99,215	63,587
Receivable from a minority shareholder (refer note (ii))	**17,526**	16,192
	116,741	79,779

(i) This comprises of balance receivables from two related parties amounting to AED 82 million and AED 29 million respectively. Of this, the balance receivable of AED 82 million was measured at fair value, at 31 December 2013, being the present value of the expected future cash flows, by using a discount rate of 10%. The differential between the carrying amount and the fair value was recognized within profit or loss.

(ii) A subsidiary of MAFP Group and its minority shareholder ("the minority shareholder") have entered into a loan agreement on 25 November 2010 according to which both the parties have agreed on a special arrangement for funding the substation in relation to the shopping mall, whereby the subsidiary will settle on behalf of the minority shareholder its share of the substation costs. According to the loan agreement the minority shareholder shall repay to the subsidiary the aggregate principal amount together with all accrued interest therein on the final maturity date of 31 December 2020. Accordingly the balance has been classified as long term in these consolidated financial statements. Interest has been accrued at the rate of 6 months EIBOR plus a margin of 7% p.a. compounded on a monthly basis.

17.2 Compensation to key management personnel

The aggregate compensation to key management personnel is disclosed as follows:

	2015	2014
	AED'000	AED'000
Directors' fees and expenses	**7,082**	7,288
Short term employee benefits (salaries and allowances including provision for bonus)	**29,850**	32,642
Provision for staff terminal benefits	**1,140**	1,140
	38,072	41,070

18. Cash in hand and at bank

	2015	2014
	AED'000	AED'000
Cash in hand	**12,643**	6,940
Fixed deposits	**44,034**	40,499
Call deposits and current accounts	**542,218**	427,402
Cash in hand and at bank	**598,895**	474,841

Fixed deposits comprises of term deposits amounting to AED 8.3 million (2014: AED 9.4 million) with a maturity date of more than ninety days and are obtained at prevailing market interest rates.

19. Payables and accruals

	2015	2014
	AED'000	AED'000
Trade payables	**64,321**	114,337
Accruals	**732,105**	631,063
Current portion of a long term liability (refer note 22(ii))	**11,427**	26,024
Current portion of a finance lease liability (refer note 22(iii))	**27,688**	-
Unearned rental income	**683,323**	655,505
Retention from contractor payments	**194,119**	151,660
Tenant related deposits and advances	**761,893**	647,970
Tax payable	**45,413**	53,496
Others	**49,015**	33,798
	2,569,304	2,313,853

20. Provisions

	At 1 January 2015 AED'000	Charge / transfers AED'000	Transfers / payments / write backs AED'000	**At 31 December 2015 AED'000**
Provision for bonus (refer note (i) below)	58,829	75,268	(65,919)	**68,178**
Long-term portion	(634)	(18,576)	-	**(19,210)**
Current portion of bonus provision	58,195	56,692	(65,919)	**48,968**
Other provisions (refer note (ii) below)	59,073	13,960	(40,584)	**32,449**
	117,268	70,652	(106,503)	**81,417**

(i) Long-term portion of bonus provision represents the deferred bonus plan for senior management staff, shown under non-current liabilities. Bonus pay-out is expected by the end of March 2016.

(ii) In the previous year the Group has recognised a provision for the expected fee payable for transferring and registering the assets in Oman to the new legal entities that have been incorporated as part of the re-organization of MAFP Group's corporate legal structure. The transfer of the assets to the new legal entities in Oman was completed on 1 December 2015 and accordingly the provision has been adjusted. Also refer note 9.

20.1 Provision for staff terminal benefits

	2015	2014
	AED'000	AED'000
At 1 January	**63,140**	58,759
Charge during the year	**17,946**	18,768
Payments / transfers	**(11,309)**	(14,387)
At 31 December	**69,777**	63,140

21. Loans and borrowings

	2015 AED'000	2014 AED'000
Long-term portion of external loans (refer note 21.1)	**4,761,767**	2,621,460
Long-term portion of related party loans (refer note 21.2)	**4,372,446**	-
At 31 December	**9,134,213**	2,621,460

	2015 AED'000	2,014 AED'000
Bank overdraft	**-**	34,980
Current portion of external loans (refer note 21.1)	**65,309**	24,148
Current portion of related party loans (refer note 21.2)	**131,544**	5,542,636
At 31 December	**196,853**	5,601,764

21.1 Loans and borrowings – external

	2015 AED'000	2014 AED'000
At 1 January	**2,667,901**	3,069,362
Borrowed during the year	**415,443**	375,962
Loan adjusted against related party loan	**1,829,154**	-
Repaid during the year	**(24,148)**	(776,408)
Currency translation adjustment	**(42,123)**	(1,015)
At 31 December	**4,846,227**	2,667,901
Net unamortized transaction costs incurred	**(19,151)**	(22,293)
	4,827,076	2,645,608
Current maturity of long term loans	**(65,309)**	(24,148)
Long-term portion at 31 December	**4,761,767**	2,621,460

The details of long term loans are set out below:

Loan facility In thousands	Loan amount at 31 December 2015 AED '000	Loan amount at 31 December 2014 AED '000	Repayment Interval	Repayment Commencement	Original Maturity date
USD 53,200 (AED 195,404) and LBP 170,633,264 (AED 418,052)	**570,974**	574,646	Annual (refer note (a)) & Half-yearly	05-Nov-15	20-Sep-22
AED 225,000	**177,975**	198,450	Half-yearly (refer note (b))	29-Sep-13	29-Mar-21
USD 900,000 (AED 3,305,700)	**3,305,700**	1,469,200	Bullet payment (refer note (c))	NA	07-Feb-17 & 03-Nov-25
EGP 3,000,000 (AED 1,543,200)	**791,578**	425,605	Unequal installments every year (refer note (d))	26-Jul-17	28-Apr-26
	4,846,227	2,667,901			

These loans are obtained at margins ranging from 1.5% to 3.5% (2014: 1.5% to 3.5%) over the base lending rate, whilst Sukuk is fixed at 5.85% and 4.5% respectively (2014: 5.85%). For loans obtained in the UAE, the base lending rate used is EIBOR / LIBOR. For loans obtained by overseas subsidiaries an appropriate base lending rate prevailing in the related markets is used.

21. Loans and borrowings (continued)

21.1 Loans and borrowings – external (continued)

a) The loan facilities of LBP 180 billion (AED 441 million) and USD 55 million (AED 202 million) were obtained by a subsidiary in Lebanon during 2011 and are secured by way of a first ranking charge over the plot on which the shopping mall is constructed, assignment of lease rentals of the shopping mall and a corporate guarantee provided by MAFH. The repayments of the loan principal are scheduled from November 2015. The subsidiary had voluntarily prepaid USD 10 million (AED 36.73 million) in the previous year.

b) During 2011, a loan facility of AED 225 million was obtained by a subsidiary in the UAE. The facility is secured by way of a first degree mortgage over land and building of a shopping mall in the UAE, assignment of insurance policies of the property and lease rentals of the shopping mall.

c) In February 2012 MAFP Group had issued five year Sukuk certificates ("bonds") under its USD 1 billion Sukuk program (structured as a "Wakala"), raising USD 400 million (AED 1,469 million). The five year senior unsecured bonds issued in 2012 under this program are listed on the London Stock Exchange and on the NASDAQ Dubai, UAE. The terms of the arrangement include transfer of ownership of certain identified assets (the "Wakala assets") of the MAFP Group to a Special Purpose Vehicle, MAF Sukuk Ltd. (the "Issuer"), formed for the issuance of bonds. In substance, the Wakala assets remain in control of MAFP Group and shall continue to be serviced by MAFP Group. The bond holders have no recourse to the assets. These bonds bear a fixed profit rate of 5.85% per annum on a semi-annual basis to be serviced from returns generated from the Wakala assets.

   In 2015, the size of the Sukuk Trust Certificate Issuance Program was increased to USD 1.5 billion and the structure of the Program was amended to incorporate a Commodity Murabaha Investment option within the "Wakala" structure.

   In November 2015, MAFP Group issued ten year Sukuk certificates ("bonds") under its Sukuk Program dated 8 October 2015, raising USD 500 million (AED 1,836.5 million). The ten year senior unsecured bonds issued in November under this program are listed on the NASDAQ Dubai, UAE and on the Irish Stock Exchange. The terms of the arrangement include payment to MAFP Group for the purchase of an Asset Portfolio by MAF Sukuk Ltd, the Issuer, and the purchase of a Commodity Murabaha Investment for a deferred sale price. The Asset Portfolio, the Commodity Murabaha Investment and all other rights arising under or with respect to such asset portfolio and the Commodity Murabaha Investment shall comprise the "Wakala Portfolio".

   In substance, the Wakala Portfolio remains in control of MAFP Group and shall continue to be serviced by MAFP Group. The bond holders have no recourse to the assets. These bonds bear a fixed profit rate of 4.5% per annum on a semi-annual basis to be serviced from returns generated from the Wakala Portfolio.

   The Sukuk Program was originally listed on the London Stock Exchange in 2012. All subsequent updates of the program since then, have been listed on the Irish Stock Exchange and on the NASDAQ Dubai, UAE.

d) In 2013, a loan facility of EGP 3 billion (AED 1,543 million) was obtained by a subsidiary in Egypt in relation to the construction of a shopping mall and secured through assignment of lease proceeds and insurance contracts. The loan obtained by a subsidiary in Egypt is initially recognised at the consideration received less directly attributable transaction costs. Subsequently, the loan is measured at amortized cost using the effective interest method.

e) The carrying value of properties mortgaged against the above loans aggregates to AED 1,300.5 million at 31 December 2015 (2014: AED 1,286.3 million). Refer note 12(iii).

21. Loans and borrowings (continued)

21.2 Loans and borrowings - related parties

	2015 AED'000	2014 AED'000
At 1 January	**5,542,636**	4,042,107
Interest payable to MAFH converted to long term loan	**43,874**	98,044
Borrowed during the year	**1,367,968**	2,189,598
Dividend and coupon payable to MAFH adjusted against long term loan (refer notes 17(iv) and 24.2.2)	**220,000**	233,000
Net external loan adjusted against related party loan	**(1,829,154)**	-
Repaid during the year	**(841,032)**	(1,020,113)
Currency translation adjustment	**(302)**	-
At 31 December	**4,503,990**	5,542,636
Current maturity of long term loan	**(131,544)**	(5,542,636)
Long-term portion	**4,372,446**	-

The above balance comprises of two loans obtained by the MAFP Group as at the reporting date.

Of the total balance, AED 4,372.4 million relates to the loan received from MAFH. Effective 15 April 2014, the loan agreement between MAFH and the Company was amended to increase the facility amount from AED 5,000 million to AED 7,000 million. The loan agreement is valid for a period of four years from April 2014, to be renewed annually at the option of both parties. However, as the loan will not be called upon twelve months from the balance sheet date, it has been classified as long-term in these consolidated financial statements.

The remaining balance of AED 131.5 million was received from MAF for Installation and Management of Hypermarkets S.A.E., a related party, based on an agreement between it and a subsidiary of the Company for a facility amount of EGP 150 million. On 20 October 2015, the agreement was amended to increase the loan amount from EGP 150 million to EGP 300 million. The loan shall be repaid twelve months from the first drawdown date resulting in it being classified as a current liability.

22. Other long term liabilities

	2015 AED'000	2014 AED'000
Deferred liability (refer note (i))	**3,683**	4,943
Other liability (refer note (ii))	**19,450**	31,266
Finance lease liability (refer note (iii))	**60,717**	83,010
	83,850	119,219

(i) This represents the amount payable in relation to the termination of a contract with a hotel operator in the UAE.

(ii) The balance represents the net present value of the liability to a Government entity for the Metro naming rights, which has been booked as follows. Also refer note 15.

	2015 AED'000	2014 AED'000
At 1 January	**57,290**	80,621
Interest accrued during the year	**2,151**	3,117
Less: payment made during the year	**(28,564)**	(26,448)
At 31 December	**30,877**	57,290
Current maturity (refer note 19)	**(11,427)**	(26,024)
Long term portion	**19,450**	31,266

22. Other long term liabilities (continued)

(iii) Finance lease liabilities are payable as follows:

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2015	2014	**2015**	2014	**2015**	2014
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Less than one year	**33,434**	-	**5,746**	5,396	**27,688**	(5,396)
Between one and five years	**31,289**	62,093	**11,434**	14,526	**19,855**	47,567
More than five years	**128,921**	131,552	**88,059**	90,713	**40,862**	40,839
At 31 December	**193,644**	193,645	**105,239**	110,635	**88,405**	83,010
Current maturity (refer note 19)	**(33,434)**	-	**(5,746)**	(5,396)	**(27,688)**	-
Long term portion	**160,210**	193,645	**99,493**	105,239	**60,717**	83,010

The imputed finance cost on the liability was determined based on the Company's subsidiary's incremental borrowing rate (6.5%). Refer note 12(ix).

23. Taxes

23.1 Income tax

MAFP Group is subject to income tax due to its operations in Oman, Egypt and Lebanon.

Tax (expense) / credit recognized in profit or loss

	2015	2014
	AED'000	AED'000
Current tax expense		
- Current year	**(20,840)**	(27,971)
- Adjustment for prior years	**(193)**	(5,922)
	(21,033)	(33,893)
Deferred tax credit / (expense)		
- Origination and reversal of temporary differences	**(109,915)**	(17,093)
- Change in recognized deductible temporary differences	**-**	135
	(109,915)	(16,958)
Tax expense	**(130,948)**	(50,851)

MAFP Group believes that accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Reconciliation of effective tax rate

		2015		2014
		AED'000		AED'000
Profit before tax from continuing operations		**3,657,791**		2,825,865
Income tax using the Company's domestic tax rate	**0.00%**	**-**	0.00%	-
Effect of tax rates in foreign jurisdictions	**0.49%**	**(18,036)**	0.92%	(26,134)
Reduction/increase in tax rate	**0.00%**	**-**	0.18%	(5,154)
Non-deductible expenses	**0.07%**	**(2,706)**	-0.11%	3,215
Change in recognized deductible temporary differences	**3.01%**	**(110,013)**	0.60%	(16,818)
Change in estimates related to prior years	**0.01%**	**(193)**	0.21%	(5,960)
	3.58%	**(130,948)**	1.80%	(50,851)

23. Taxes (continued)

23.2 Deferred tax liabilities

	2015 AED'000	2014 AED'000
At 1 January	**91,683**	94,839
Charged to profit or loss	**102,504**	17,093
Reclassified from deferred tax asset / reversed during the year	**12,969**	(16,955)
Foreign currency translation difference from foreign operations	**(9,404)**	(3,294)
At 31 December	**197,752**	91,683

Deferred tax liability has been computed on the taxable temporary differences arising as a result of valuation gains/losses on properties in Oman, Egypt and Lebanon. The tax rates in these countries are 12%, 22.5% (2014: 25%) and 10% respectively. The corresponding valuation gain or loss has been recognised in profit or loss. Accordingly, the resulting net deferred tax expense / (credit) has been recognized in profit or loss.

23.3 Deferred tax asset

	2015 AED'000	2014 AED'000
At 1 January	**4,154**	4,142
(Debited)/ credited to profit or loss	**(7,411)**	135
Foreign currency translation difference from foreign operations	**(321)**	(123)
Transferred to deferred tax liability	**12,969**	-
At 31 December	**9,391**	4,154

24. Share capital and reserves

24.1 Share capital

	2015 AED'000	2014 AED'000
Authorised, issued and fully paid:		
3,500,000 shares of AED 1,000 each	**3,500,000**	3,500,000
At 31 December	**3,500,000**	3,500,000

24.2 Shareholder contribution

	2015 AED'000	2014 AED'000
Subordinated capital loan instruments (refer note 24.2.1)	**2,750,000**	2,750,000
Contribution from MAFH (refer note 24.2.3)	**188,430**	188,430
At 31 December	**2,938,430**	2,938,430

24.2.1 Subordinated capital loan instrument

In 2009, the Company issued subordinated capital loan instruments of AED 2,500 million in five loan instruments of AED 500 million each. During 2010, an additional loan instrument of AED 250 million was issued by the Company. These instruments are collectively referred to as "the hybrid instruments" and are fully subscribed to by MAFH as per the terms of a Master Capital Loan Agreement and a separate Capital Loan Agreement for each loan, dated 5 October 2009. The hybrid instruments carry a coupon payment, payable semi-annually, at a fixed rate of 8% per annum up to 7 October 2019 and at a floating rate of EIBOR + 5% thereafter.

24. Share capital and reserves (continued)

24.2 Shareholder contribution (continued)

24.2.1 Subordinated capital loan instrument (continued)

The hybrid instrument has a first par call date on 7 October 2019, at the election of the Company, without any obligation. The hybrid instrument does not have a final maturity date. The coupon is non-cumulative in nature and can be deferred indefinitely at the Company's discretion without constituting a default. In case of the parent company ceasing control of the Company, the prevailing coupon rate on the hybrid instruments will be permanently increased by 5% and such coupons will become cumulative.

Based on the terms of the hybrid instruments, these were accounted for as equity instruments. The hybrid instruments were subscribed to through a debt to equity swap transaction.

24.2.2 Coupons

In the current and previous year the Company declared a coupon of AED 220 million on these instruments. The coupon was calculated at the rate of 8% per annum on the amount outstanding for the 12 month period from 6 October 2014 to 5 October 2015 and 6 October 2013 to 5 October 2014 respectively. In the current and previous year the coupon was adjusted against long term loan payable to MAFH (refer notes 17(iv) and 21.2).

24.2.3 Contribution from MAFH

In 2012 MAFP Group had novated derivative instruments with a negative fair value of AED 188.4 million to MAFH. MAFH waived its contractual obligation of recovering the liability from MAFP Group and accordingly this balance was classified within shareholder contribution.

24.3 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment, including the accumulated revaluation reserve in respect of any properties that were reclassified to investment property.

24.4 Statutory reserve

In accordance with the Articles of Association of companies in MAFP Group and relevant local laws, 10% of the net profit for the year of the individual companies, to which the law is applicable, is transferred to a statutory reserve. Such transfers may be discontinued when the reserve equals the limit prescribed by the relevant laws applicable to individual entities. This reserve can be utilised only in the manner specified under the relevant laws and is not available for distribution. During the year, AED 237.2 million (2014: AED 131.2 million) has been transferred to this reserve.

24.5 Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from translation of the financial statements of foreign operations.

25. Financial instruments

Financial assets of MAFP Group include cash at bank and in hand, receivables and amounts due from related parties. Financial liabilities of MAFP Group include amounts due to related parties, short term loans, long term loans, bank overdrafts, payables and provisions. Accounting policies for financial assets and liabilities are set out in note 3.

25. Financial instruments (continued)

25.1 Financial risk management objectives and policies

The Company's Board of Directors have the overall responsibility for the management of risk throughout its Group companies. The Board establishes and regularly reviews the Company's risk management strategy and policy and procedures to ensure that they are in line with MAFH strategies and objectives. It has constituted an Audit and Risk Committee within the Board of the Company which is required to review and assess the risk management process. It ensures that internal risk management framework is effective and that a sound system of risk management is in place to safeguard shareholder's interests. All MAFP Group's entities are required to report on risk management on a regular basis including self-certification indicating that they have reviewed the risks identified within their area, and they are satisfied that the controls are operating effectively.

The main risks arising from MAFP Group's financial instruments are credit risk, liquidity risk and market risk, including foreign currency risk and interest rate risk.

Liquidity risk, market risk (including foreign currency risk and interest rate risk) and credit risk related to financial counter parties (banks) are managed by the centralised treasury function of MAFH on behalf of the Company.

25.2 Credit risk

Credit risk is the risk of financial loss to MAFP Group if the counter-party fails to meet its contractual obligations and arises principally from MAFP Group's receivables.

The entities in MAFP Group have credit policies in place and the exposure to credit risk is monitored on an on-going basis. A majority of MAFP Group's income is by way of cash and advance receipts and is supported by a deposit equivalent to three months' rental. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no concentration of credit risk. Cash is placed with reputable banks and the risk of default is considered remote. Under the current economic conditions, management has assessed the recoverability of its trade receivables as at the reporting date and consider them to be recoverable. Due from related parties (net of provisions) are considered recoverable by management.

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

	2015	2014
	AED'000	AED'000
Trade receivables	**224,861**	174,270
Other receivables	**20,756**	21,541
Cash at bank	**586,252**	467,901
Long term receivables	**116,741**	79,779
Due from related parties	**35,588**	124,384
At 31 December	**984,198**	867,875

25.3 Liquidity risk

Liquidity risk is the risk that MAFP Group will not be able to meet its financial obligations as they fall due. MAFP Group's approach to managing liquidity is to ensure, in so far as it is reasonably possible, that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to MAFP Group's reputation. MAFP Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and credit facilities.

25. Financial instruments (continued)

25.3 Liquidity risk (continued)

At 31 December 2015

	Carrying amount AED'000	Contractual cash flows AED'000	6 months or less AED'000	6-12 months AED'000	1-2 years AED'000	2-5 years AED'000	More than 5 years AED'000
Secured loans and borrowings	**1,540,527**	**2,424,047**	**93,286**	**110,365**	**265,949**	**957,449**	**996,998**
Unsecured loans and borrowings	**3,305,700**	**4,261,048**	**84,295**	**84,295**	**1,594,817**	**247,928**	**2,249,713**
Related party loans	**4,503,990**	**5,434,009**	**211,451**	**93,570**	**209,877**	**4,919,111**	**-**
Payables and accruals	**1,276,633**	**1,384,920**	**650,347**	**549,879**	**39,442**	**15,134**	**130,118**
Due to related parties	**54,804**	**54,804**	**27,402**	**27,402**	**-**	**-**	**-**
Total	**10,681,654**	**13,558,828**	**1,066,781**	**865,511**	**2,110,085**	**6,139,622**	**3,376,829**

At 31 December 2014

	Carrying amount AED'000	Contractual cash flows AED'000	6 months or less AED'000	6-12 months AED'000	1-2 years AED'000	2-5 years AED'000	More than 5 years AED'000
Secured loans and borrowings	1,198,701	1,813,225	43,944	68,943	160,426	776,944	762,968
Unsecured loans and borrowings	1,469,200	1,684,070	42,974	42,974	85,948	1,512,174	-
Related party loans	5,542,636	5,593,767	5,593,767	-	-	-	-
Bank overdraft	34,980	34,991	34,991	-	-	-	-
Payables and accruals	1,183,906	1,306,254	532,344	536,144	47,052	53,694	137,020
Due to related parties	91,306	91,306	45,653	45,653	-	-	-
Total	9,520,729	10,523,613	6,293,673	693,714	293,426	2,342,812	899,988

25.3.1 Funding and liquidity

At 31 December 2015, MAFP Group has net current liabilities of AED 1,806.8 million (2014: AED 6,346.8 million) which includes debt maturing in the short-term of AED 196.8 million (2014: AED 5,601.8 million). Further, at 31 December 2015 debt maturing in the long term is AED 9,134.2 million (2014: AED 2,621.5 million).

At 31 December 2015, MAFP Group has existing undrawn facilities of AED 3,050 million obtained from banks and MAFH and cash in hand and at bank of AED 598.9 million to cover its liquidity needs for at least the next twelve months.

On the basis of the above, management has concluded that MAFP Group will be able to meet its financial commitments in the foreseeable future.

25.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect MAFP Group’s income or the value of its holdings of financial instruments. MAFP Group seeks to apply hedge accounting to manage volatility in its income statement in relation to its exposure to interest rate risk.

25. Financial instruments (continued)

25.4 Market risk (continued)

25.4.1 Foreign currency risk

A significant portion of MAFP Group's foreign currency borrowings and balances are denominated in US Dollar ("USD") and other currencies linked to USD. Hence, MAFP Group's exposure to any foreign currency risk is not significant

25.4.2 Interest rate risk

As mentioned in note 25.1, interest rate risk is managed by MAFH on behalf of the Company within the framework of the interest rate risk management policy. MAFHadopts a policy of maintaining a target duration on its liability portfolio of about half year to three years. This is achieved through cash and / or by using IAS 39 compliant derivative financial instruments.

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

	2015 AED'000	2014 AED'000
Variable rate instruments		
Financial liabilities (loans and borrowings)	**(6,025,366)**	(6,754,024)
Financial assets (Long term receivable from minority shareholder)	**17,526**	16,192
At 31 December	**(6,007,840)**	(6,737,832)
Fixed rate instruments		
Financial assets (fixed deposits)	**44,034**	40,499
Financial liabilities (loans)	**(3,305,700)**	(1,469,200)
Financial liabilities (finance lease liabilities)	**(88,405)**	(83,010)
Financial liabilities (other long term liabilities)	**(23,133)**	(36,209)
At 31 December	**(3,373,204)**	(1,547,920)

The contractual maturities of the financial liabilities are disclosed in note 25.3.

Sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity of MAFP Group's profit before tax and MAFP Group's equity to a reasonably possible change in interest rates, assuming all other variables in particular foreign currency rates remain constant. The analysis is performed on the same basis for 2014.

Sensitivity analysis for variable rate instruments

	Increase / (decrease) in	**Effect on profit or loss**		**Effect on other comprehensive income**	
AED'000	**basis points**	**2015**	2014	**2015**	2014
Variable rate instrument	+ 100	**(54,071)**	(60,640)	-	-
Cash flow sensitivity (net)		**(54,071)**	(60,640)	-	-
Variable rate instrument	- 100	**54,071**	60,640	-	-
Cash flow sensitivity (net)		**54,071**	60,640	-	-

25. Financial instruments (continued)

25.5 Fair values

The Sukuk certificates are carried at Level 2 (2014: Level 2) of the fair value hierarchy. At 31 December 2015, the fair value is AED 1,520 million (2014: AED 1,589 million) for Sukuk certificates maturing in 2017 and AED 1,823 million for Sukuk certificates maturing in 2025.

The management believes that the fair value of the remaining financial assets and liabilities at the reporting date approximates their carrying amounts.

25.6 Capital management

The primary objective of MAFP Group's capital management is to ensure that it maintains healthy capital and liquidity ratios in order to support its operations and future developments.

The following ratios are used to monitor the business performance:
(i) Net debt to equity ratio
(ii) Interest coverage ratio
(iii) Debt service coverage ratio

These ratios are monitored in accordance with MAFH's capital management policy.

	2015	2014
	AED'000	AED'000
Loans and borrowings	**9,331,066**	8,223,224
Total debt	**9,331,066**	8,223,224
Share capital	**3,500,000**	3,500,000
Shareholder contribution	**2,938,430**	2,938,430
Revaluation reserve	**14,268,688**	13,988,075
Other reserves	**10,552,265**	7,408,036
Total equity attributable to owners of the Company	**31,259,383**	27,834,541
Gearing ratio	**30%**	30%

MAFP Group has various borrowing arrangements which require maintaining certain net worth, interest coverage and debt equity ratios. Apart from these requirements neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

26. Capital commitments

	2015	2014
	AED'000	AED'000
Capital commitments of MAFP Group	**2,664,716**	2,277,401
MAFP Group's share of capital commitments in relation to its equity accounted investees.	**731,454**	753,561
	3,396,170	3,030,962

27. Contingent liabilities

MAFP Group is contingently liable in respect of corporate guarantees of AED 5,732.1 million (2014: AED 6,356.8 million) to various banks (also refer note 17(iii)). MAFP Group has also co-guaranteed hybrid perpetual note instruments of AED 1,836.5 million (2014: AED 1,836.5 million) that has been issued by a subsidiary of MAFH (refer note 17(iii). Furthermore, MAFP Group has provided other operational guarantees of AED 4.6 million (2014: AED 4.6 million).

28. Subsequent events

There has been no significant event subsequent to 31 December 2015 up to the date of authorisation of financial statements on 2 March 2016, which would have a material effect on these consolidated financial statements.

29. Operating leases

Leases as lessor

MAFP Group leases out its properties under operating leases. Minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	AED'000	AED'000
Less than one year	**2,628,620**	2,284,084
Between one and five years	**6,403,464**	4,336,482
More than five years	**1,366,124**	2,650,561
Total	**10,398,208**	9,271,127

Leases as lessee

Minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	AED'000	AED'000
Less than one year	**7,452**	5,861
Between one and five years	**27,422**	23,445
More than five years	**23,445**	34,288
Total	**58,319**	63,594

Above lease payments as lessee represent MAFP Group commitments for staff accommodation and office premises. In addition to this MAFP Group also enters into operating leases, which typically run for a period of one year with an option to renew the lease after that date. The lease rentals are usually renewed to reflect market rentals.

30. List of joint ventures

The consolidated financial statements include MAFP Group's share of the results of the following joint venture companies:

Joint ventures	Country of incorporation / origin	Ownership %
Active joint ventures		
Sharjah Holding Company JSC	UAE	50%
Al Mamzar Islands Developments LLC	UAE	50%
The Wave Muscat S.A.O.C	Oman	50%
Waterfront City SARL	Lebanon	50%
The Egypt Emirates Malls Group S.A.E	Egypt	50%
Dormant joint ventures		
Aya Real Estate Investment BSC	Bahrain	50%
Arzanah Mall LLC	UAE	50%
Yenkit Tourism Development LLC	Oman	60%
Bab Al Madina for Development and Management of Business Centers Company LLC	Libya	50%

31. List of Subsidiaries

Shares of certain subsidiary companies are held by subsidiaries of MAFH for the beneficial interest of MAFP Group.

The consolidated financial statements include the results of the following subsidiaries:

Subsidiaries	Country of incorporation / origin	Ownership %
Active subsidiaries		
Majid Al Futtaim Investments Mirdif LLC	UAE	100%
MAM Investments LLC	UAE	100%
Majid Al Futtaim Properties Lebanon LLC	UAE	100%
Fujairah City Centre Investment Company LLC	UAE	62.5%
Majid Al Futtaim Properties Saudia LLC	UAE	100%
Majid Al Futtaim Properties Al Riyadh LLC	UAE	100%
Majid Al Futtaim Hospitality LLC	UAE	100%
Majid Al Futtaim Developments LLC	UAE	100%
Majid Al Futtaim Shopping Malls LLC	UAE	100%
Majid Al Futtaim Properties Asset Management LLC	UAE	100%
Majid Al Futtaim Shopping Malls Investments LLC	UAE	100%
Majid Al Futtaim Communities Investments LLC	UAE	100%
Majid Al Futtaim Hospitality Investments LLC	UAE	100%
Majid Al Futtaim Shopping Malls Operation LLC	UAE	100%
Majid Al Futtaim Communities Operation LLC	UAE	100%
Majid Al Futtaim Hospitality Operation LLC	UAE	100%
Majid Al Futtaim Emirati Shopping Malls Investments LLC	UAE	100%
Majid Al Futtaim Emirati Communities Investments LLC	UAE	100%
Majid Al Futtaim Emirati Hospitality Investments LLC	UAE	100%
Majid Al Futtaim Emirati Shopping Malls Operation LLC	UAE	100%
Majid Al Futtaim Emirati Communities Operation LLC	UAE	100%
Majid Al Futtaim Emirati Hospitality Operation LLC	UAE	100%
Majid Al Futtaim Investment Contributions LLC	UAE	100%
Majid Al Futtaim Shopping Malls Investments A R E LLC	UAE	100%
Majid Al Futtaim Real Estate Investments LLC	UAE	100%
Majid Al Futtaim Shopping Centre LLC	Oman	100%
Majid Al Futtaim Commercial Facilities LLC	Oman	100%
International Property Services LLC	Oman	100%
Majid Al Futtaim Properties Co. Oman LLC	Oman	100%
Majid Al Futtaim Shopping Centers LLC	Oman	100%
Majid Al Futtaim Commercial Centre LLC	Oman	100%
Majid Al Futtiam Properties Egypt SAE	Egypt	100%
Majid Al Futtaim Properties Bahrain BSC	Bahrain	100%
MAF Lebanon for Commercial and Real Estate Investment SARL	Lebanon	100%
MAF Lebanon Holding SAL	Lebanon	100%
Suburban Development Company SAL	Lebanon	96.8%
Majid Al Futtaim Properties Lebanon Holding SAL	Lebanon	100%
Majid Al Futtaim Properties Management Services SARL	Lebanon	100%

31. List of Subsidiaries (continued)

Subsidiaries	Country of incorporation / origin	Ownership %
Active subsidiaries (continued)		
Majid Mohamed Al Futtaim Properties LLC	Saudi Arabia	100%
Aswaq Al Narjis Trading LLC	Saudi Arabia	100%
Majid Mohamed Al Futtaim Trading LLC	Saudi Arabia	100%
Majid Mohamed Al Futtaim Real Estate Development LLC	Saudi Arabia	100%
Mabanee Al Fanar Trading JSC	Saudi Arabia	100%
Aswaq Al Emarat Trading CJSC	Saudi Arabia	85%
Majid Mohd Al Futtaim Properties Asset Management LLC	Saudi Arabia	100%
Majid Al Futtaim Shopping Malls KSA	Saudi Arabia	100%
New subsidiaries incorporated in the current year		
Majid Al Futtaim Shopping Malls Projects LLC	UAE	100%
Majid Al Futtaim Shopping Malls Development LLC	UAE	100%
Majid Al Futtaim Commercial Centers LLC	UAE	100%
Majid Al Futtaim City Centre Meaisem LLC	UAE	100%
Majid Al Futtaim Shopping Malls Meaisem FZ LLC	UAE	100%
Majid Al Futtaim My City Centre Al Barsha FZ LLC	UAE	100%
Majid Al Futtaim Mall Of The Emirates LLC	UAE	100%
Majid Al Futtaim City Centre Al Shindagha Co LLC	UAE	100%
Majid Al Futtaim City Centre Deira LLC	UAE	100%
Majid Al Futtaim Hospitality Al Barsha Co. LLC	UAE	100%
Majid Al Futtaim Hospitality Al Barsha First LLC	UAE	100%
Majid Al Futtaim Hospitality Al Barsha Second LLC	UAE	100%
Majid Al Futtaim Hospitality Al Barsha Third LLC	UAE	100%
Majid Al Futtaim Hospitality Barsha Fourth LLC	UAE	100%
Majid Al Futtaim Hospitality Al Rigga LLC	UAE	100%
Majid Al Futtaim Hospitality Al Zahia LLC	UAE	100%
Majid Al Futtaim Hospitality Mirdif First LLC	UAE	100%
Majid Al Futtaim Hospitality Mirdif LLC	UAE	100%
Majid Al Futtaim Hospitality Deira LLC	UAE	100%
Majid Al Futtaim Hospitality Deira First LLC	UAE	100%
Majid Al Futtaim Hospitality Deira Second LLC	UAE	100%
Dormant subsidiaries		
MAF Technological Systems LLC	UAE	100%
Bab Al Madinah Company Property Investment Limited	Yemen	51%
Societe Tunisia WIFEK	Tunisia	100%

32. Associate

The consolidated financial statements include MAFP Group's share of the results of the following associate company:

Associate	Country of incorporation / origin	Ownership %
Active associate		
Enshaa PSC	UAE	28.44%