FULL YEAR REPORT

Reports and consolidated financial statements for the year ended 31 December 2015

www.wahacapital.ae

الواحة كابيتال
WAHA CAPITAL

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CHAIRMAN'S REPORT

Dear Shareholders,

Waha Capital delivered another strong performance in 2015, with our increasingly diversified portfolio of investments serving the company well despite a challenging environment for the global economy and markets.

The company recorded a net profit of AED 588 million - an 18 percent increase on adjusted 2014 net profit[1], after removing the impact of one-off items. This translated into a robust return on average equity of 14.3 percent for the year, which compares very favourably to our regional peers.

The resilience of Waha Capital's business is founded on our long-held strategy of diversification of our direct investments, across sectors that include aircraft leasing, financial services, healthcare and energy. Over the last four years, the company has also built a very successful track record in capital markets, with our credit and equities portfolios adding liquidity to the balance sheet and producing excellent returns that have excelled their benchmarks.

AerCap Holdings, in which we have been a major shareholder since 2010, is now firmly established as the global leader in aircraft leasing, with a portfolio of 1,700 aircraft. Waha Capital has shown its confidence in AerCap by raising our stake through open market transactions to 15.4 percent, from 12.6 percent at the end of 2014.

Among our other principal investments, Dunia Finance and Anglo-Arabian Healthcare Group, continued on their impressive growth trajectories in 2015 and are both becoming mature businesses with strong brands. Meanwhile, Stanford Marine Group and National Petroleum Services won new contracts despite the notable downturn in the oil and gas services industry. Both firms are fully focused on maintaining fortitude during this difficult period, and should be well positioned to take advantage of a cyclical recovery.

Waha Capital also continues to benefit from low-volatility assets, such as its investments in the MENA Infrastructure Fund I and in the ALMARKAZ light industrial real estate development, which is pushing ahead with further development after fully leasing the first 90,000 sq m of high quality space.

While Waha Capital continued to prosper in 2015, the company's Board and management remain cautious on the regional and global macro-economic outlook and the potential for continued volatility in securities markets. The company places a strong emphasis on risk management and mitigation, and employs stringent processes at the corporate level and across the investment teams.

Nevertheless, we are also aware that the current environment may represent an opportune time to deploy capital. As a nimble company that benefits from a strong balance sheet, we believe that Waha Capital is in an excellent position to take advantage of attractive opportunities. We are therefore committing resources to the sourcing of proprietary transactions in areas of the economy where we believe there is significant potential for the creation of shareholder value.
Given our excellent track record in direct and capital markets investments through business and market cycles, Waha Capital is also well placed to offer our expertise to third party investors. In the coming year, the company will be taking funds to the market, with the long-term aim of establishing robust fee-generating businesses.

On behalf of the Board and the management of the company, I would like to express my gratitude for the support and guidance of the Government of Abu Dhabi, and the visionary leadership of H.H. Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE and Supreme Commander of the UAE Armed Forces, and H.H. General Sheikh Mohammed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, Deputy Supreme Commander of the UAE Armed Forces and Chairman of the Abu Dhabi Executive Council.

Furthermore, I would like to thank the Board of Directors for their expert guidance, which has shaped the success of the company in recent years. I would also like to express my appreciation to Waha Capital's management and employees for their dedication and hard work.

Hussain J. Al Nowais
Chairman of the Board

[1] Reported net profit prior to adjustment was AED 1,732.7 million for the year ended 31 December 2014, adjusted by AED 1,306.6 m and AED 53.1 million relating to the purchase of ILFC by AerCap Holdings, recorded in Q2, 2014 and Q3, 2014 respectively, and AED 125.1 million relating to fair value adjustment on investment property recorded in Q2, 2014.

Deloitte.

Deloitte & Touche (M.E.)
Al Sila Tower
Abu Dhabi Global Market Square
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax: +971 (0) 2 408 2525
www.deloitte.com/middleeast

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Al Waha Capital PJSC
Abu Dhabi
United Arab Emirates

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Al Waha Capital PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and 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 its 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.

Auditor's 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT (continued)

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 financial performance and its 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 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 report of the Chairman is consistent with the books of account of the Group;

v) note 12 to the consolidated financial statements the Group discloses purchased or invested in shares during the financial year ended 31 December 2015;

vi) note 23 to the consolidated financial statements discloses material related party transactions and balances, the terms under which they were conducted and principles of managing conflict of interests;

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 financial position as at 31 December 2015; and

viii) note 21 to the consolidated financial statements discloses the social contributions made during the financial year ended 31 December 2015.

Deloitte & Touche (M.E.)

ديلويت أند توش
ص.ب ٩٩٠
أبوظبي - إ.ع.م
Abu Dhabi - U.A.E.
P.O Box 990
Deloitte & Touche

Georges F. Najem
Registration No. 809
Abu Dhabi
25 February 2016

WAHA CAPITAL

Consolidated statement of financial position
As at 31 December

	Note	2015 AED '000	2014 AED '000
ASSETS			
Furniture and equipment		**40,012**	13,635
Investment property	7	**696,010**	692,007
Goodwill and intangible assets	8	**174,296**	77,337
Investments in finance leases	9	**17,774**	23,600
Loan investments	10	**232,963**	244,221
Investments in equity-accounted associates and joint ventures	11	**4,714,977**	4,118,227
Financial investments	12	**2,220,908**	1,906,460
Inventories		**8,661**	6,232
Trade and other receivables	13	**348,677**	249,330
Cash and cash equivalents	14	**1,151,658**	2,460,411
Total assets		**9,605,936**	9,791,460
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,944,515**	1,944,515
Treasury shares	15	**(233,168)**	(49,087)
Retained earnings		**1,713,958**	1,756,106
Reserves		**445,289**	728,822
Equity attributable to the owners of the Company		**3,870,594**	4,380,356
Non-controlling interests	5.2	**56,720**	28,112
Total equity		**3,927,314**	4,408,468
Liabilities			
Borrowings	16	**5,322,255**	5,063,599
Trade and other liabilities	17	**356,367**	319,393
Total liabilities		**5,678,622**	5,382,992
Total equity and liabilities		**9,605,936**	9,791,460

These consolidated financial statements were authorised for issue by the Board of Directors on 25 February 2016 and signed on their behalf by:

Chairman	CEO & Managing Director	Chief Financial Officer

The notes numbered 1 to 27 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 and 3.

الواحة كابيتال
WAHA CAPITAL

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

	Note	2015 AED '000	2014 AED '000
Continuing operations			
Revenue from sale of goods and services	18	**277,285**	144,479
Cost of sale of goods and services	18	**(87,077)**	(42,144)
Gross profit		**190,208**	102,335
Income from equity-accounted associates and joint ventures, net	11	**610,316**	527,047
Gain on disposal of equity-accounted associates and joint ventures	11	**-**	1,398,638
Income from financial investments	19	**202,407**	237,308
Other income / (expense), net	20	**6,318**	(136,920)
General and administrative expenses	21	**(357,923)**	(280,968)
Finance cost, net	22	**(73,157)**	(114,964)
Profit for the year		**578,169**	1,732,476
Profit / (loss) attributable to:			
Owners of the Company		**587,841**	1,732,671
Non-controlling interest		**(9,672)**	(195)
Profit for the year		**578,169**	1,732,476
Basic and diluted earnings per share from continuing operations attributable to the owners of the Company during the year (AED)	15	**0.312**	0.891

The notes numbered 1 to 27 are an integral part of these consolidated financial statements.
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Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December

	2015 AED '000	2014 AED '000
Profit for the year	**578,169**	1,732,476
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit or loss:		
Share of effective portion of changes in fair value of cash flow hedges (note 26a)	**(354,258)**	403,573
Share of change in other reserves of equity-accounted associates and joint ventures	**861**	5,873
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of financial assets at fair value through other comprehensive income	**11,080**	(2,115)
Total comprehensive income for the year	**235,852**	2,139,807
Total comprehensive income / (loss) attributable to:		
Owners of the Company	**245,524**	2,140,002
Non-controlling interests	**(9,672)**	(195)
Total comprehensive income for the year	**235,852**	2,139,807

The notes numbered 1 to 27 are an integral part of these consolidated financial statements.
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Consolidated statement of changes in equity
For the year ended 31 December 2015

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Revaluation reserve AED '000	Hedge reserve AED '000	Other reserves AED '000	Reserves AED '000	Equity attributable to owners AED '000	Non-controlling interest AED '000	Total equity AED '000
At 1 January 2014 (reported)	1,897,088	-	484,927	157,129	(3,169)	(3,828)	(5,736)	144,396	2,526,411	19,890	2,546,301
Assets held for sale (restated)	-	-	(51,089)	-	-	3,828	-	3,828	(47,261)	-	(47,261)
At 1 January 2014 (restated)	1,897,088	-	433,838	157,129	(3,169)	-	(5,736)	148,224	2,479,150	19,890	2,499,040
Profit for the year	-	-	1,732,671	-	-	-	-	-	1,732,671	(195)	1,732,476
Other comprehensive income	-	-	-	-	(2,115)	403,573	5,873	407,331	407,331	-	407,331
Total comprehensive income	-	-	1,732,671	-	(2,115)	403,573	5,873	407,331	2,140,002	(195)	2,139,807
Transactions with the owners of the Company											
Cash dividend (note 15)	-	-	(189,709)	-	-	-	-	-	(189,709)	-	(189,709)
Bonus shares issued (note 15)	47,427	-	(47,427)	-	-	-	-	-	-	-	-
Shares bought back (note 15)	-	(49,087)	-	-	-	-	-	-	(49,087)	-	(49,087)
Transfer to statutory reserve	-	-	(173,267)	173,267	-	-	-	173,267	-	-	-
Movements in non-controlling interest due to acquisitions	-	-	-	-	-	-	-	-	-	8,417	8,417
At 31 December 2014	**1,944,515**	**(49,087)**	**1,756,106**	**330,396**	**(5,284)**	**403,573**	**137**	**728,822**	**4,380,356**	**28,112**	**4,408,468**
Profit for the year	-	-	587,841	-	-	-	-	-	587,841	(9,672)	578,169
Other comprehensive loss	-	-	-	-	11,080	(354,258)	861	(342,317)	(342,317)	-	(342,317)
Total comprehensive income	-	-	587,841	-	11,080	(354,258)	861	(342,317)	245,524	(9,672)	235,852
Transactions with the owners of the Company											
Cash dividend (note 15)	-	-	(568,136)	-	-	-	-	-	(568,136)	-	(568,136)
Shares bought back (note 15)	-	(184,081)	-	-	-	-	-	-	(184,081)	-	(184,081)
Transfer to statutory reserve	-	-	(58,784)	58,784	-	-	-	58,784	-	-	-
Movement in non-controlling interest due to acquisitions	-	-	(3,069)	-	-	-	-	-	(3,069)	51,412	48,343
Movement in non-controlling interest due to disposals	-	-	-	-	-	-	-	-	-	(13,132)	(13,132)
At 31 December 2015	**1,944,515**	**(233,168)**	**1,713,958**	**389,180**	**5,796**	**49,315**	**998**	**445,289**	**3,870,594**	**56,720**	**3,927,314**

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Consolidated statement of cash flows
For the year ended 31 December

	2015 AED '000	2014 AED '000
Cash flows from operating activities		
Profit for the year	**578,169**	1,732,476
Adjustments for:		
Depreciation	**8,792**	6,397
Finance cost	**84,757**	117,975
Gain on valuation of financial assets at fair value through profit or loss	**(97,152)**	(14,164)
Interest on bank deposits	**(11,600)**	(3,011)
Income from equity-accounted associates and joint ventures, net	**(610,316)**	(527,047)
Gain on disposal of equity-accounted associates and joint ventures	**-**	(1,398,638)
Gain on disposal of subsidiaries	**(4,291)**	-
Interest income from loan investments	**(10,795)**	(10,478)
Interest income from investments in finance leases	**(1,931)**	(2,441)
Decrease in fair value of investment property	**781**	126,083
Distribution from equity-accounted associates and joint ventures	**32,407**	6,119
Amortisation of intangible assets	**10,986**	2,245
Provision for slow moving and obsolete inventories	**(95)**	5,724
Provision for doubtful debts	**11,258**	26,366
Changes in working capital:		
Change in inventories	**(2,113)**	(1,678)
Change in trade and other receivables	**(97,018)**	(3,170)
Change in trade and other liabilities	**24,633**	7,947
Net cash (used in)/from operating activities	**(83,528)**	70,705
Cash flows from investing activities		
Acquisition of subsidiaries (net of cash)	**(69,689)**	(21,663)
Acquisition of an equity-accounted associate	**(17,980)**	(279,732)
Purchase of intangibles	**(33,388)**	(390)
Purchase of investments at fair value through profit or loss, net	**(564,200)**	(457,231)
Purchase of investments at amortised cost	**-**	(27,086)
Purchase of derivatives designated and effective as hedging instruments carried at fair value	**-**	(224,803)
Payments made for development of investment property	**(4,784)**	(8,599)
Purchase of furniture and equipment	**(27,167)**	(6,291)
Proceeds from disposal of subsidiaries	**23,124**	8,417
Proceeds from disposal of equity accounted associates and joint ventures	**-**	754,808
Capital repayment from financial assets at FVTOCI	**1,187**	-
Proceeds from loan investments	**-**	25,238
Proceeds from finance leases	**7,757**	7,756
Interest received	**13,334**	17,929
Net cash used in investing activities	**(671,806)**	(211,647)
Cash flows from financing activities		
Finance cost paid on borrowings	**(30,225)**	(230,573)
Loans repaid	**(342,290)**	(3,525,882)
Loans obtained	**558,014**	6,325,321
Shares bought back	**(184,081)**	(49,087)
Dividends paid	**(568,136)**	(189,709)
Payments made by non-controlling interest holders	**13,299**	-
Net cash (used in) / from financing activities	**(553,419)**	2,330,070
Net (decrease) / increase in cash and cash equivalents	**(1,308,753)**	2,189,128
Cash and cash equivalents at 1 January	**2,460,411**	271,283
Cash and cash equivalents at 31 December	**1,151,658**	2,460,411

The notes numbered 1 to 27 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 and 3.

Notes to the consolidated financial statements

1 Legal status and principal activities

Al Waha Capital P.J.S.C. (the "Company") is a public joint stock company with limited liability, formed in the Emirate of Abu Dhabi, United Arab Emirates, by Emiri Decree No. 10 dated 20 May 1997 and incorporated on 12 July 1997.

These consolidated financial statements comprise the results and financial position of the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities ("equity accounted associates and joint ventures").

The Group invests in a wide range of sectors, including aviation leasing, financial services, capital markets, maritime, industrial real estate, infrastructure, healthcare and oil and gas.

The UAE Federal Law No. 2 of 2015 ("Companies Law") has come into force on 1 July 2015. The company has twelve months from the effective date of the Companies Law to comply with its provisions ("the transitional provisions") and the company has availed of these transitional provisions.

2 Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

(c) Functional currency and presentation currency

The functional currency of the Company is the US Dollar ("USD"). The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of these consolidated financial statements, the results and financial position of the Group are presented in United Arab Emirates Dirhams ("AED"), which is the Group's presentation currency. All financial information presented in AED has been rounded to the nearest thousand, unless otherwise stated.

(d) New and revised IFRS

(i) New and revised IFRSs adopted with no material effect on the consolidated financial statements:

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015, as follows:

- Annual improvements 2010-2012 covering amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38
- Annual improvements 2011-2013 covering amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40
- Amendment to IAS 19 Employee Benefits relating to defined benefit plans and employee contributions

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

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

(d) New and revised IFRS (continued)

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

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 9 *Financial Instruments* (revisions in 2014) *	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2017
IFRS 16 *Leases*	1 January 2019
Amendment to IFRS 11 *Joint Arrangements* relating to accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to Agriculture: Bearer Plants	1 January 2016
Amendments to IAS 27 *Separate Financial Statements* relating to equity method in separate financial statements	1 January 2016
Amendments to IAS 28 *Investments in Associates and Joint Ventures* and IFRS 10 *Consolidated Financial Statements* relating to sale or contribution of assets between an investor and its Associate or Joint Venture	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
Annual improvements 2012-2014 covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016

* In the prior year, the Group early adopted IFRS 9 Financial Instruments (2013) and the related consequential amendments (IFRS 7 and IAS 39) in advance of its effective date. The Group has chosen 1 July 2014 as its date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities).

Management anticipates that the adoption of these IFRSs in future periods will have no material impact on the consolidated financial statements of the Group in the period of initial application, with the exception of IFRS 9 (2014 version) and IFRS 15 which management is currently in the process of assessing the impact on the adoption of these Standards.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

(i) Subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries/ Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiary and

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investments in an associate or a joint venture.

(ii) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(iii) Investments in equity accounted associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Investments in equity accounted associates and joint ventures (continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Investments in equity accounted associates and joint ventures (continued)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(b) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

When an investment in an associate or a joint venture previously classified as held for sale no longer meets the criteria to be so classified, it shall be accounted for using the equity method retrospectively as from the date of its classification as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(c) Furniture and equipment

Furniture and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment loss. The cost of furniture and equipment is the purchase cost plus any directly attributable cost of acquisition.

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

Depreciation is calculated using the straight line method to allocate the assets' cost to their residual value over their estimated useful life, on the following basis:

Description	Estimated useful life
Leasehold improvements	3 to 5 years
IT equipment, furniture and fittings	3 to 5 years
Other equipment	5 to 7 years
Motor vehicles	3 years

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(c) Furniture and equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

(d) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Cost includes all direct costs attributable to bringing the assets to the location and condition necessary for the asset to operate in the manner intended, including related staff costs, design, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, they are transferred from work-in-progress to completed properties. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(e) Goodwill and intangible assets

(i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an equity accounted investee is described at note 3 (a) (iii) above.

(ii) Other intangible assets acquired in a business combination

Other intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost), and include trademarks, licenses contracts and software.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is recognised on a straight-line basis over their estimated useful lives as disclosed in note 8. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(e) Goodwill and intangible assets (continued)

(iii) De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(f) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less selling expenses. Allowance for obsolete and slow moving inventory is made to reduce the carrying amount of inventories to their net realisable value.

(i) Financial Instruments

Initial Recognition

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial Instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Debt Instruments

Debt instruments are classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments are measured at amortised cost, net of any write down for impairment, only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest calculated using the effective interest method is recognised in profit or loss and is included in Finance cost. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group may choose at initial recognition to designate a debt instrument that otherwise qualifies to be measured at amortised cost or as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch. All other debt instruments must be measured as at FVTPL.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Other Financial Assets measured at amortised cost

Trade and other receivables and cash and cash equivalents are measured at amortised cost less any impairment. Interest income is recognised on an effective interest basis, except for short term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents include cash on hand and deposits held with banks for working capital purposes (excluding deposits held under lien).

Equity Instruments

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial Instruments (continued)

Investments in equity instruments designated at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 *Revenue*, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in other (expense) / income (note 20).

Financial Liabilities and Equity Instruments
Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial Liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

<u>Financial Liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract is designated as at FVTPL in accordance with IFRS 9.

Financial liabilities designated at FVTPL are stated at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognised in profit or loss. Such gains or losses that are recognised in profit or loss incorporate any interest paid on the financial liabilities and are included in the 'Income from financial investments' line item in the consolidated statement of profit or loss.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial Instruments (continued)

Financial Liabilities (continued)

However, for non-held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance cost, *net*' line item in the consolidated statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Reclassification

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the Group's business model objective for its financial assets changes so its previous model assessment would no longer apply.

If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Group does not restate any previously recognised gains, losses, or interest.

Reclassification is not allowed for:

- equity investments measured at FVTOCI, or
- where the fair value option has been exercised in any circumstance for a financial asset or financial liability.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in:

- Profit or loss, for securities measured at amortised cost or FVTPL, or
- Other comprehensive income, for investments at FVTOCI. At the time of derecognition of FVTOCI investment any revaluation reserve is transferred to retained earnings.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial Instruments (continued)

Derecognition (continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign Exchange Gains and Losses

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- for financial assets and liabilities that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss; and
- for financial assets that are equity instruments and designated as at FVTOCI, any foreign exchange component is recognised in other comprehensive income.

For foreign currency denominated financial assets and liabilities measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'Income from financial investments' line item in the consolidated statement of profit or loss.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments, including equity price collars, foreign exchange forward contracts and interest rate swaps to manage its exposure to equity price, interest rate and foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 12.

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

<u>Embedded derivatives</u>

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Hedge Accounting

The Group has designated its equity price collars in respect of its equity price risk, as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 12 sets out details of the fair values of the derivative instruments used for hedging purposes.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial Instruments (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of revaluation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in other income / (expense).

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of profit or loss as the recognised hedged item. If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the revaluation reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the future cash flows occur; if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

When the Group separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of the option, it recognises some or all of the change in the time value in other comprehensive income which is later removed or reclassified from equity as a single amount or on an amortised basis (depending on the nature of the hedged item) and ultimately recognised in profit or loss.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group will adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Impairment

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial Instruments (continued)

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(j) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(i) Sale of goods and services

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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

Revenue from services primarily represents the aggregate invoiced amount for medical services provided to patients (insured and non-insured) during the year and is stated net of any discounts allowed. Revenue is recognised in the accounting period in which services are provided.

(ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(k) Revenue recognition (continued)

(ii) Dividend and interest income (continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Rental income

The Group's policy for recognition of revenue from operating leases is described in note (l) below.

(iv) Capital markets transactions

The Group has arranged debt capital financing on behalf of its clients for the acquisition of high value items, such as vessels and aircraft. The Group earns income from arranging, advising on and administering such transactions. Given the nature of the services, which are predominately event-driven, the fees do not accrue on a time-proportionate basis but are recognised entirely as and when they become due to the Group once the likelihood of occurrence of trigger events has been ascertained.

(l) Leasing

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

(i) The Group as lessor

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

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

(ii) The Group as lessee

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

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 3(n) below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(m) Employee benefits

The provision for employee terminal benefits, included in trade and other liabilities, is calculated in accordance with the UAE Federal Labour Law and are recognised as an expense in the consolidated statement of profit and loss on an accrual basis.

Pension contribution for GCC nationals are recognised as an expense in the consolidated statement of profit and loss on an accrual basis.

Liabilities recognised in respect of other long-term employee benefit are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(n) Borrowing costs

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

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

(o) Government grants

The Group believes that, in most cases, when land is initially received through government grants, the probability that future economic benefits will flow to the Group is uncertain, since, until the Group has established plans to utilise the land, it is possible that such land may revert back to the government. In addition, in the absence of identified use of the land, the amount of future economic benefits cannot be determined with reasonable certainty. Accordingly, land so received is not initially recognised in the consolidated financial statements until certain events occur, which enable management to conclude that it becomes probable that future economic benefits will flow to the Group from its ownership of such land.

Land received as government grants that do not meet the criteria that future economic benefits will flow to the Group, are not recognised, but their existence is disclosed in the consolidated financial statements.

The determination of whether future economic benefits will flow to the Group is made by management using guidelines approved by the Board of Directors; each such determination is also approved by the Board of Directors. Once the determination is made, land is recognised in the financial statements at nominal value.

At the point of such initial recognition, and subsequently, at each reporting date, an assessment is made by the Group as to the ultimate use of the land, and based on such assessment, the land is transferred to the relevant asset category (such as investment property, property, plant and equipment or inventory) depending on its intended use, and is thereafter accounted for using the accounting policy in place for that relevant asset category.

(p) Statutory reserve

In accordance with the UAE Federal Law No. 8 of 1984 (as amended) and the Company's Articles of Association, 10% of the profit after tax is transferred at the end of each financial year to a non-distributable statutory reserve. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital.

Notes to the consolidated financial statements (continued)

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates or assumptions that affect the application of 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 ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

(a) Key sources of estimation uncertainty

(i) Investment property valuation

The key estimates used in the fair valuation of the Group's investment properties are disclosed in note 7.

(ii) Impairment of equity-accounted associates and joint ventures

The investment in Abraaj Aqua SPV limited was tested for potential impairment by comparing its carrying amount and recoverable amount. The recoverable amount was determined using level 3 valuation techniques, including the forward industry standard multiples applied to the investees' EBITDA and Enterprise Value. Based on estimates of recoverable amount developed in accordance with these assumptions, an impairment of AED 22,029 thousand was recognised (2014: nil) (note 11).

(iii) Impairment of goodwill

Goodwill arising from the acquisition of Anglo Arabian Healthcare group was tested for impairment during the year. The recoverable amount was determined based on fair value calculation which uses cash flow projections based on a business plan covering a 5 year period, and a discount rate between 13.5-16.0% per annum (2014: 12.5-15.0% per annum).

The carrying amount of the Group's interest in Anglo Arabian Healthcare group is AED 184,072 thousand (including goodwill) compared to a recoverable amount of AED 286,330 thousand. The senior management believe that any reasonably possible change in the key assumptions on which the recoverable amount was based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

(iv) Allowance for doubtful receivables

The Group has estimated the recoverability of trade and other receivable, and loan investments and has considered the allowance required for doubtful receivables. The Group has provided for the allowance for doubtful receivables on the basis of prior experience and the current economic environment.

(v) Fair value of financial instruments

The Group has financial assets and liabilities that are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various financial assets and liabilities are disclosed in note 26(a).

(b) Critical accounting judgements

(i) Possibility of future economic benefits from land received as government grant

Refer to note 3(o) for a description of judgements used to ascertain the possibility of future economic benefits from land received as government grant.

Notes to the consolidated financial statements (continued)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Critical accounting judgements (continued)

(ii) Significant influence over Aercap Holdings NV

The Group holds two seats on AerCap's Board of Directors, as well as representation on the various Board sub-committees on which it currently serves in addition to its 13.5% equity ownership. Accordingly, the Group's investment in Aercap is classified as an equity-accounted associate.

(iii) Classification of financial investments

As described in Note 3 (i), investments are classified as either financial investments at fair value through profit or loss or fair value through other comprehensive income. In judging whether investments are either financial investments at fair value through profit or loss or fair value through other comprehensive income, the Group has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments.

5 Composition of the Group

5.1 Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Subsidiary	Country of incorporation	Principal activity	Group's shareholding 2015	2014
Principal Investments				
Tamarind Lease Limited	Cayman Islands	Finance leasing	**100%**	100%
Waha AC Cooperatief U.A. [1]	Netherlands	Investment in AerCap NV	**100%**	100%
Al Waha Maritime LLC [2]	UAE	Maritime leasing	**100%**	100%
Siraj Finance PrJSC	UAE	Finance	**-**	83.3%
Investment Management				
Anglo Arabian Healthcare Investments LLC	UAE	Healthcare	**90.1%**	90.1%
Waha Capital Investments LLC	UAE	Financial investments	**100%**	100%
Waha Investment Management Company SPC [3]	Cayman Islands	Financial investments	**99.3%**	100%
Oasis Investment No 1 Limited	Cayman Islands	Private financial transactions	**100%**	100%
Oasis Investment No 2 Limited	Cayman Islands	Private financial transactions	**100%**	100%
Industrial Real Estate				
Al Waha Land LLC	UAE	Industrial Real Estate	**100%**	100%

[1] Holding Company carrying an investment in AerCap.

[2] Ultimate holding Company carrying an investment in Stanford Marine Group Inc. (SMG), through intermediate holding entities OL SPV Limited, Abraaj Aqua SPV Limited and Aqua Consortium Limited respectively (note 11).

[3] During the year the investments and related account balances of Middle East Securities Limited were transferred to Waha Investment Management Company SPC.

Notes to the consolidated financial statements (continued)

5 Composition of the Group (continued)

5.2 Details of subsidiaries with material non-controlling interests

Anglo Arabian Healthcare Investments LLC is a holding company for the Group's 93% ownership interest in Proficiency Central Laboratories LLC (2014: 70%), 70% in Sharjah Corniche Hospital LLC and Health Bay Polyclinic (2014: 70%), 60% in Ibn Sina Medical Centre LLC and Oras Medical Center LLC (2014: 60%), and 100% in AAH Services FZ LLC (2014: 100%).

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

Balance sheet	**2015 AED '000**	2014 AED '000
Non-current assets	**205,693**	86,830
Current assets	**147,154**	56,857
Current liabilities	**(87,930)**	(51,524)
Non-controlling interests	**(53,616)**	(14,772)
Equity attributable to owners of the Company	**211,301**	77,391

Profit or loss	**Year ended 31 December 2015**	Year ended 31 December 2014
Revenue	**247,974**	128,601
Expenses	**(277,543)**	(139,675)
Profit / (loss) for the year	**(29,569)**	(11,074)
Profit / (loss) attributable to owners of the Company	**(39,032)**	(11,264)
Profit / (loss) attributable to the non-controlling interests	**9,463**	190
Profit / (loss) for the year	**(29,569)**	(11,074)
Cash flows		
Net cash outflow from operating activities	**(52,343)**	(32,357)
Net cash outflow from investing activities	**(118,863)**	(20,130)
Net cash inflow from financing activities	**180,085**	54,153
Net cash inflow	**15,699**	6,821

The Group carries options to buy out the equity ownership of certain non-controlling interest holders, for a fixed predetermined valuation multiple. The value of these options at 31 December 2015 is insignificant.

Notes to the consolidated financial statements (continued)

5 Composition of the Group (continued)

5.3 Acquisition during the year

On 12 February 2015, the Group acquired, through Anglo Arabian Healthcare Investments LLC, a 70% stake in the share capital of Health Bay Polyclinic ("Health Bay") and on 12 August 2015 a 100% stake in the share capital of Orchid Reproductive & Andrology Services FZ LLC ("ORAS"), both healthcare entities in the UAE.

Post acquisition, the Group carried out a Purchase Price Allocation exercise to determine the fair value of net assets acquired, including the identification and recognition of intangible assets, as follows:

	Health Bay AED '000	ORAS AED '000	Total AED '000
Cash and cash equivalents	1,993	4	**1,997**
Trade and other receivables	14,917	259	**15,176**
Inventory	211	10	**221**
Fixed assets	6,670	1,395	**8,065**
Trade and other payables	(11,435)	(40)	**(11,475)**
Gratuity	(788)	(77)	**(865)**
Intangible asset	24,888	2,699	**27,587**
Fair value of identifiable net assets	36,456	4,250	**40,706**
Less: non-controlling interest	(10,937)	-	**(10,937)**
Group's share of identifiable net assets	25,519	4,250	**29,769**
Consideration	61,218	4,250	**65,468**
Goodwill	**35,699**	**-**	**35,699**

	Health Bay AED '000	ORAS AED '000	Total AED '000
Consideration transferred	61,218	4,250	**65,468**
Less: Cash acquired with net assets	(1,993)	(4)	**(1,997)**
Net consideration transferred	**59,225**	**4,246**	**63,471**

The revenue included in the consolidated statement of profit or loss since acquisition of Health Bay to 31 December 2015 was AED 56,366 thousand. Health Bay Polyclinic contributed net profit of AED 502 thousand.

The revenue included in the consolidated statement of profit or loss since acquisition of ORAS to 31 December 2015 was nil. ORAS contributed a loss of AED 4,294 thousand.

Had Health Bay and ORAS been consolidated from 1 January 2015, the revenue of the Group from continuing operations would have been AED 285,311 thousand, and the Group's profit for the year from continuing operations would have been AED 577,534 thousand.

5.4 Disposal during the year

During the year, Siraj Finance PrJSC was sold to a third party for cash consideration of AED 68,576 thousand resulting in a net cash inflow of AED 23,124 thousand and a gain on disposal of AED 4,291 thousand.

Notes to the consolidated financial statements (continued)

6 Operating segments

During the year, the Group launched an investment management business to offer third-party investors access to opportunities in listed equities, credit and private equity. This resulted in a reorganisation of its primary activities into four major segments and an adjustment to the Group structure accordingly. Reflecting this development, the management of the Group revised their key responsibilities as well as the internal reporting.

Based on the information reported to the Group's Board of Directors for the allocation of resources, marketing strategies, management reporting lines and measurement of performance of business, the reportable segments under IFRS 8 were identified according to the structure of investment activities and services to customer groups.

Principal Investments

The Principal Investments segment holds all of the Group's proprietary investments in diversified industries including aviation, maritime, financial and infrastructure.

Investment Management - Private Equity

The Private Equity segment represents a platform to provide investors access to attractive growth opportunities in the MENA region and currently holds Anglo-Arabian Healthcare, a UAE healthcare provider and National Petroleum Services, an oil and gas services company.

Investment Management - Capital Markets

The Capital Markets segment represents a platform to provide investors access to opportunities in equities and credit, and other investment management services.

Industrial Real Estate

The Industrial Real Estate segment represents the Group's interest in light industrial real estate.

Notes to the consolidated financial statements (continued)

6 Operating segments (continued)

Information related to the operating segments is mentioned below as at and for the year ended 31 December:

		Investment Management				
AED '000 2015	**Principal Investments**	**Private Equity**	**Capital Markets**	**Industrial Real Estate**	**Corporate**	**Consolidated**
Revenue from sale of goods and services	**95**	**247,974**	**-**	**29,216**	**-**	**277,285**
Income from investment in equity-accounted investees, *net*	**610,060**	**256**	**-**	**-**	**-**	**610,316**
Gain on disposal of equity-accounted associates and joint ventures	**-**	**-**	**-**	**-**	**-**	**-**
Income from financial investments	**11,579**		**190,828**	**-**	**-**	**202,407**
Other income / (expense)	**(7,748)**	**3,341**	**5,139**	**5,804**	**(218)**	**6,318**
General and administrative expenses – parent	**(17,078)**	**-**	**(18,608)**	**-**	**(113,733)**	**(149,419)**
General and administrative expenses - subsidiaries	**(1,726)**	**(196,063)**	**-**	**(10,715)**	**-**	**(208,504)**
Finance cost, *net*	**(1,162)**	**(218)**	**(23,217)**	**-**	**(48,560)**	**(73,157)**
Profit for the year	**593,926**	**(29,313)**	**154,142**	**21,925**	**(162,511)**	**578,169**
Other comprehensive income	**(343,693)**	**1,376**	**-**	**-**	**-**	**(342,317)**
2014 (restated)						
Revenue from sale of goods and services	652	128,600	-	15,227	-	144,479
Income from investment in equity-accounted investees, *net*	522,691	4,356	-	-	-	527,047
Gain on disposal of equity-accounted associates and joint ventures	1,398,638	-	-	-	-	1,398,638
Income from financial investments	13,191		224,117	-	-	237,308
Other income / (expense)	(25,161)	2,081	10,300	(125,622)	1,482	(136,920)
General and administrative expenses – parent	(19,828)	-	(21,179)	-	(128,382)	(169,389)
General and administrative expenses - subsidiaries	(1,835)	(100,940)	-	(8,804)	-	(111,579)
Finance cost, *net*	(1,467)	(303)	(14,629)	-	(98,565)	(114,964)
Profit for the year	1,886,327	(6,818)	198,610	(120,178)	(225,465)	1,732,476
Other comprehensive income	407,331	-	-	-	-	407,331

Segment income reported above represents income generated from external customers. There was no inter-segment income during the year (2014: nil). All revenues are generated from sales of goods and services within the UAE. Included in revenue from sales of goods and services are revenues of approximately AED 64,859 (2014: AED 36,101) which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2015 and 2014.

During the year, the Group recognised an impairment loss of AED 22,029 thousand (2014: AED 31,803 thousand) in equity accounted investees in the Principal Investments segment and a loss in fair value of AED 781 thousand (2014: AED 126,083 thousand) in the Industrial Real Estate segment.

Notes to the consolidated financial statements (continued)

6 Operating segments (continued)

AED '000	Principal Investments	Investment Management		Industrial Real Estate	Corporate	Consolidated
		Private Equity	Capital Markets			
2015						
Investment in equity-accounted associates and joint ventures	**4,434,812**	**280,165**	**-**	**-**	**-**	**4,714,977**
Other assets	**456,034**	**352,847**	**2,452,318**	**736,651**	**893,109**	**4,890,959**
Segment assets	**4,890,846**	**633,012**	**2,452,318**	**736,651**	**893,109**	**9,605,936**
Segment liabilities	**25,755**	**98,928**	**1,542,513**	**17,756**	**3,993,670**	**5,678,622**
Capital expenditures	**555**	**23,585**	**3,803**	**3,858**	**6,216**	**38,017**
Depreciation and amortisation	**48**	**15,948**	**210**	**142**	**3,430**	**19,778**
2014 (restated)						
Investment in equity-accounted associates and joint ventures	3,839,694	278,533	-	-	-	4,118,227
Other assets	903,379	143,687	1,718,878	708,061	2,199,228	5,673,233
Segment assets	4,743,073	422,220	1,718,878	708,061	2,199,228	9,791,460
Segment liabilities	31,374	52,364	1,008,665	18,596	4,271,993	5,382,992
Capital expenditures	16	2,658	43	6,454	1,278	10,449
Depreciation and amortisation	13	5,558	34	21	3,016	8,642

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than corporate assets of AED 893,109 thousand (2014: AED 2,199,228 thousand)
- All liabilities are allocated to operating segments other than corporate liabilities of AED 3,993,670 thousand (2014: 4,271,993 thousand)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration cost amounting to AED 162,511 thousand (2014: AED 225,465 thousand). This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The comparative amounts of 31 December 2014 have been restated to correspond to the restructured segments. Accordingly, amounts reported under the previous "Principal Investments" segment has been allocated between the newly restructured segments; "Principal Investments" and "Investment Management - Private Equity".

Notes to the consolidated financial statements (continued)

7 Investment property

	2015 AED '000	2014 AED '000
At 1 January	**692,007**	809,491
Additions	**4,784**	8,599
Fair value loss	**(781)**	(126,083)
At 31 December	**696,010**	692,007

The Group has recognised a portion of the land granted in the consolidated financial statements by applying the accounting policy with respect to government grants (refer to note 3(o)) and investment properties (refer to note 3(d)). At 31 December 2015, the fair value of the unrecognised portion of the land granted is estimated at AED 261,143 thousand (2014: AED 277,253 thousand).

No borrowing costs were capitalised during the current and prior year as substantially all the activities necessary to prepare the investment property for its intended use are complete.

Investment property is pledged as security against the Group's borrowings (note 16).

The fair value has been determined based on level 3 valuation methodologies accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 31 December 2015, was performed by accredited independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use. Valuation methodologies considered by the independent appraisers include:

- The Income Capitalisation Approach, used for existing small industrial units, where income receivable under comparable leases, existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation date.
- The Residual Value Method, used for planned small industrial units, which requires the use of estimates such as leasing rates, construction costs, professional fees, financing cost and targeted internal rate of return. These estimates are based on local market conditions existing at the end of the reporting period.
- The Residual Value Method, used for serviced land, which requires the use of estimates such as sale price, construction costs, professional fees, financing cost and targeted internal rate of return. These estimates are based on local market conditions existing at the end of the reporting period.

Based on the revaluation, a fair value decrease of AED 781 thousand was recognised in the current year (2014: AED 126,083 thousand). The fair value loss is presented within "other income / (expense), net" line on the consolidated statement of profit or loss.

For existing small industrial units, an increase/decrease of 10% in rental income would have increased/decreased the valuation by AED 17,973 thousand. Further a capitalisation rate of 10% was assumed, an increase/decrease of 1% of which would have (decreased)/increased the valuation by AED (24,614) thousand / AED 29,964 thousand respectively.

For planned small industrial units, an increase/decrease of AED 10 per square metre in annual lease rates would have increased/decreased the valuation by AED 5,918 thousand. An increase/decrease of AED 10 per square metre in construction costs would have increased/decreased the valuation by AED 887 thousand. Further a discount rate of 20% was assumed, an increase/decrease of 10% of which would have (decreased)/increased the valuation by AED 22,918 thousand respectively.

For serviced land, an increase/decrease of AED 10 per square metre in sale price would have increased/decreased the valuation by AED 2,408 thousand. Further an internal rate of return of 20% was assumed, an increase/decrease of 2% of which would have increased/decreased the valuation by AED (21,937) thousand / AED (23,808) thousand respectively.

Notes to the consolidated financial statements (continued)

8 Goodwill and intangible assets

	Goodwill[1] AED '000	Trademarks AED '000	Licences AED '000	Contract AED '000	Exclusive rights[2] AED '000	Software AED '000	Total AED '000
Useful economic life (years)		**5 - 10**	**5**	**5**	**25**	**3 - 5**	
Cost							
Balance at 1 January 2014	48,391	3,456	5,723	-	-	5,030	62,600
Additions	-	-	-	-	-	390	390
Acquisitions through business combinations	6,195	-	-	15,371	-	-	21,566
Balance at 31 December 2014	54,586	3,456	5,723	15,371	-	5,420	84,556
Adjustment	**643**	**-**	**2,453**	**10,218**	**-**	**-**	**13,314**
Additions	**-**	**-**	**-**	**-**	**28,433**	**4,955**	**33,388**
Acquisitions through business combinations (note 5)	**35,699**	**24,888**	**2,699**	**-**	**-**	**-**	**63,286**
Balance at 31 December 2015	**90,928**	**28,344**	**10,875**	**25,589**	**28,433**	**10,375**	**194,544**
Accumulated amortisation and impairment							
Balance at 1 January 2014	-	-	-	-	-	4,973	4,973
Amortisation expense	-	742	1,145	359	-	-	2,246
Balance at 31 December 2014	-	742	1,145	359	-	4,973	7,219
Adjustment	**-**	**396**	**1,580**	**67**	**-**	**-**	**2,106**
Amortisation expense	**-**	**2,874**	**1,845**	**5,118**	**857**	**292**	**10,986**
Balance at 31 December 2015	**-**	**4,012**	**4,570**	**5,544**	**857**	**5,265**	**20,248**
Net Carrying Amount							
As at 31 December 2015	**90,928**	**24,332**	**6,305**	**20,045**	**27,576**	**5,110**	**174,296**
As at 31 December 2014	54,586	2,714	4,578	15,012	**-**	447	77,337

[1] Goodwill is allocated to distinct cash generating units within the healthcare businesses, namely Proficiency Healthcare Diagnostics Laboratories LLC, Sharjah Corniche Hospital LLC, Ibn Sina Medical Centre LLC, Health Bay Polyclinic and Oras Medical Center LLC.

[2] On 24 March 2015, the Group acquired exclusive rights from Oasis Hospital, Al Ain, to manage and operate its Oasis Laboratory for a period of 25 years for a total consideration of AED 28,433 thousand. The laboratory is engaged in providing point of care testing and laboratory service.

Notes to the consolidated financial statements (continued)

9 Investments in finance leases

The Group has placed assets on finance leases for periods up to 3 years (2014: 4 years), with effective interest rate of 9.21% (2014: 9.21%). This rate is assessed on the risk associated with the asset and the credit rating of the customer.

The payment profile of the finance leases is as follows:

	Minimum lease payment		Present value of minimum lease payments	
	2015 AED '000	2014 AED '000	**2015 AED '000**	2014 AED '000
Within one year	**7,757**	7,757	**6,385**	5,826
Between one year and five years	**12,283**	20,039	**11,389**	17,774
	20,040	27,796	**17,774**	23,600
Less: unearned finance income	**(2,266)**	(4,196)	**-**	-
Present value of minimum lease payment receivable	**17,774**	23,600	**17,774**	23,600

The finance leases at the end of the reporting period are neither past due nor impaired.

10 Loan investments

	2015 AED '000	2014 AED '000
Loan to an equity accounted investee [1]	**12,283**	23,541
Loan portfolio [2]	**220,680**	220,680
	232,963	244,221

[1] The equity accounted investee is based in the Middle East region. The loan is secured by the investees' investments and properties (note 23).

[2] Loan portfolio is based outside UAE, carries an interest of 3.93% per annum and matures after one year.

11 Investments in equity-accounted associates and joint ventures

Carrying Amount

	2015 AED '000	2014 AED '000
Associates	**4,496,306**	3,928,288
Joint Ventures	**218,671**	189,939
Total	**4,714,977**	4,118,227

Notes to the consolidated financial statements (continued)

11 Investments in equity-accounted associates and joint ventures (continued)

11.1 Details of material associates

Details of each of the Group's material associates at the end of the reporting period are as follows:

Associate	Principal activity	Country of incorporation	Beneficial shareholding 2015	Beneficial shareholding 2014
AerCap Holdings NV ("Aercap")	Aircraft leasing	Netherlands	**13.5%**	12.6%
National Petroleum Services ("NPS") [1]	Oil and gas services	Bahrain	**20.2%**	20.2%
Abraaj Aqua SPV limited [2]	Maritime leasing	Cayman Islands	**45.0%**	45.0%

[1] Held indirectly through NPS Holdings limited, a DIFC registered entity.
[2] The Group's legal ownership in Abraaj Aqua SPV limited is 49%.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes).

	AerCap		NPS		Abraaj Aqua SPV	
	2015 AED '000	2014 AED '000	**2015 AED '000**	2014 AED '000	**2015 AED '000**	2014 AED '000
Statement of financial position						
Current assets	**31,468,747**	29,338,251	**573,341**	508,921	**362,263**	404,231
Non-current assets	**130,048,706**	132,005,973	**1,589,080**	1,586,527	**1,414,999**	1,480,026
Current liabilities	**20,897,760**	20,311,534	**201,109**	153,659	**551,728**	627,090
Non-current liabilities	**109,629,569**	111,819,998	**591,750**	588,796	**1,010,406**	1,039,660
Statement of profit or loss						
Revenue	**19,447,627**	13,388,979	**749,264**	401,667	**821,465**	979,506
Profit (loss) for the year	**4,335,369**	2,980,824	**14,572**	(3,204)	**(2,049)**	(21,674)
Other comprehensive income for the year	**2,163**	11,016	**(1,593)**	6,830	**-**	-
Total comprehensive income for the year	**4,337,532**	2,991,840	**12,980**	3,626	**(2,049)**	(21,674)
Group's share of contingencies	**-**	2,648	**53,914**	25,977	**88,190**	148,057
Group's share of commitments	**10,476,836**	11,593,856	**35,512**	7,619	**-**	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Group's material associates recognised in the consolidated financial statements:

	AerCap		NPS		Abraaj Aqua SPV	
	2015 AED '000	2014 AED '000	**2015 AED '000**	2014 AED '000	**2015 AED '000**	2014 AED '000
Net assets of the associate	**30,707,486**	28,922,972	**1,381,332**	1,370,419	**215,127**	217,507
Proportion of the Group's ownership interest	**13.5%**	12.6%	**20.2%**	20.2%	**45%**	45%
Group's share of net assets of the associate	**4,134,055**	3,644,294	**278,338**	276,139	**96,807**	97,878
Goodwill	**-**	-	**-**	-	**45,725**	67,754
Other adjustments	**(60,375)**	(158,544)	**1,827**	2,394	**(7)**	(1,627)
Carrying amount of associate	**4,073,680**	3,485,750	**280,165**	278,533	**142,526**	164,005

Notes to the consolidated financial statements (continued)

11 Investments in equity-accounted associates and joint ventures (continued)

In May 2014, the Group's investment in Aercap was diluted from 26.2% to 14.1% following Aercap's acquisition of 100% common stock of International Lease Finance Corporation (ILFC) from American International Group, Inc (AIG) for a combined consideration of AED 11,034,000 thousand (US$ 3 billion) in cash and 97.6 million new shares in Aercap. The dilution of the Group's stake was accounted for as a deemed disposal resulting in the recognition of a gain on disposal of AED 1,306,629 thousand. Further, in 2014, the Group disposed 1.4% of its stake, followed by increases of 1.0% and 0.1% in 2015 due to Aercap's share buyback program and the Group's acquisition respectively.

11.2 Details of material joint ventures

Details of each of the Group's material joint ventures at the end of the reporting period are as follows.

Joint venture	Principal activity	Country of incorporation	Group's shareholding 2015	Group's shareholding 2014
Dunia Finance [1]	Banking	UAE	**25.0%**	25.0%

[1] Dunia Finance includes Dunia Finance LLC and Dunia Services FZ-LLC

Summarised financial information in respect of each of Dunia Finance is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes).

	Dunia Finance 2015 AED '000	Dunia Finance 2014 AED '000
Statement of financial position		
Current assets	**152,394**	93,906
Non-current assets	**2,035,806**	1,517,308
Current liabilities	**156,958**	118,294
Non-current liabilities	**1,247,576**	842,340
Statement of profit or loss		
Revenue	**726,549**	387,813
Profit for the year	**250,886**	200,628
Statement of cash flows		
Dividends received during the year	**29,450**	5,500
Group's share of contingencies	**474,579**	317,209
Group's share of commitments	**2,307**	3,964

Notes to the consolidated financial statements (continued)

11 Investments in equity-accounted associates and joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Group's material joint ventures recognised in the consolidated financial statements:

	Dunia Finance	
	2015 AED '000	**2014 AED '000**
Net assets of the joint venture	**783,666**	650,580
Proportion of the Group's ownership interest	**25%**	25%
Group's share of net assets of the joint venture	**195,917**	162,645
Goodwill	**6,405**	6,405
Other adjustments	**(1,260)**	150
Carrying amount of joint venture	**201,062**	169,200

11.3 Movement of investment in equity-accounted associates and joint ventures

The movement of investment in equity-accounted associates and joint ventures is presented below:

	2015 AED '000	2014 AED '000
As at 1 January	**4,118,227**	2,667,864
Acquisitions	**17,980**	279,732
Disposals	**-**	(662,799)
Share of income, net	**610,316**	527,047
Deemed disposal gain on Aercap Holdings N.V.	**-**	1,306,629
Share of equity reserves	**861**	5,873
Distributions received	**(32,407)**	(6,119)
At 31 December	**4,714,977**	4,118,227

The Group's investments with a carrying amount of AED 4,353,779 thousand (2014: AED 3,764,284 thousand) are collateralised against the Group's borrowings (note 16).

The Group recognised an impairment loss of AED 22,029 thousand (2014: AED 15,974 thousand) in equity-accounted associates and joint ventures during the year (note 4(a)).

Investment in equity-accounted associates and joint ventures domiciled outside UAE amount to AED 4,353,779 thousand (31 December 2014: AED 3,770,105 thousand).

The fair value of publicly listed equity-accounted associates and joint ventures based on quoted market price is AED 4,282,508 thousand (2014: AED 3,833,158 thousand), carried at AED 4,073,613 thousand (2014: AED 3,485,750 thousand)

Notes to the consolidated financial statements (continued)

12 Financial investments

	2015 AED '000	2014 AED '000
Financial assets at FVTOCI		
Unquoted fund [1]	**142,280**	132,387
Derivatives designated and effective as hedging instruments carried at fair value		
Equity price collar [2]	**275,255**	629,513
Financial assets at amortised cost		
Listed fixed income securities [3]	**-**	163,791
Financial assets at fair value through profit or loss		
Derivative assets [5]	**106,493**	93,229
Listed fixed income securities [3]	**1,487,341**	652,930
Listed equity securities [4]	**204,163**	228,575
Other investments	**5,376**	6,035
	2,220,908	1,906,460

Financial investments held outside the UAE amount to AED 1,853,511 thousand (31 December 2014: AED 1,534,794 thousand).

[1] The unquoted fund is a private equity fund that invests in infrastructure development projects across MENA. Within the infrastructure segment, the fund's mandate is to invest in areas such as energy, transport, environmental services and social infrastructure. It is registered in the UAE and managed by the Group. During the year, the Group recognised a fair value gain of AED 11,080 thousand (31 December 2014: loss of AED 2,115 thousand). As at 31 December 2015, the Group has a further investment commitment of AED 32,167 thousand (2014: AED 32,167 thousand) with respect to this fund.

[2] The Group carries equity price collars on approximately 12.6% stake in AerCap, representing an investment of AED 225,940 thousand, at floor and cap prices in the range of US$ 37.11 – 42.39 and US$ 51.54 – 61.23 per share respectively. The equity price collars have been designated as cash flow hedging instruments, hedging the cash proceeds on a highly probable future sale of the shares, and accounted for as at fair value through OCI (Note 16). During the year the Group recognised a loss of AED 354,258 thousand (2014: gain of AED 403,573 thousand) on cash flow hedges through other comprehensive income.

[3] The Group holds a portfolio of listed fixed income securities that carry variable interest rates. The fixed income securities have an average yield to maturity of 5.20% (2014: 10.43%). As at 31 December 2015, the securities have maturity dates ranging between 1 month and 34 years. During the year, the Group reclassified listed fixed income securities from financial assets at amortised cost to fair value through profit or loss following a change in business model.

Listed fixed income securities totalling AED 1,474,730 thousand (31 December 2014: AED 816,721 thousand) are pledged as security against the Group's borrowings under repurchase agreements (note 16). The repurchase agreements are subject to a master netting agreement.

[4] The Group's portfolio of listed equity securities includes UAE equities amounting to AED 101,620 thousand and other GCC equities amounting to AED 85,251 thousand. During the year, the Group purchased listed equity shares for AED 2,047,122 thousand.

[5] Derivative assets held by the Group, have a notional value of AED 1,296,863 thousand (31 December 2014: AED 1,422,650 thousand).

Notes to the consolidated financial statements (continued)

13 Trade and other receivables

	2015 AED '000	2014 AED '000
Trade receivables	175,292	77,613
Allowance for doubtful debts	(21,544)	(22,192)
Prepayments and advances	24,759	13,394
Accrued interest	62,673	56,482
Amounts set aside for prior year dividends	39,420	23,762
Deposits under lien	35,000	70,000
Other receivables	33,077	30,271
	348,677	249,330

The maximum exposure to credit risk for trade receivables as at 31 December by geographic region is:

	2015 AED '000	2014 AED '000
Middle East and Asia Pacific	58,271	55,421
Other regions	95,477	-
	153,748	55,421

The ageing of trade receivables as at 31 December is:

	2015 AED '000	2014 AED '000
Not past due	84,515	8,069
Within 90 days	32,349	18,799
91 days - 180 days	39,792	12,682
181 days - 365 days	7,842	10,185
> 365 days	10,794	27,878
	175,292	77,613

Movement in allowance for doubtful debts

	2015 AED '000	2014 AED '000
Balance at the beginning of the year	22,192	4,107
Recognised through business combinations	2,421	-
Impairment losses recognised during the year	2,711	18,085
Reversal of allowance	(5,780)	-
Balance at the end of the year	21,544	22,192

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Deposits under lien represent cash collateral for letters of guarantee issued by commercial banks in favour of the Central Bank of the UAE on behalf of the Group. The interest rate on deposits under lien is 0.50% (2014: 0.50% and 0.68%) per annum. All deposits under lien are placed with UAE banks.

Notes to the consolidated financial statements (continued)

14 Cash and cash equivalents

	2015 AED '000	2014 AED '000
Short term deposits held with banks	**713,526**	2,031,271
Cash at bank	**438,094**	428,977
Cash in hand	**38**	163
	1,151,658	2,460,411

The interest rate on short term deposits ranges between 1.75% and 2.10% (2014: 0.70% and 1.15% per annum). All short term deposits are placed with UAE banks.

15 Share capital and dividend

Authorised and fully paid up capital:	2015 AED '000	2014 AED '000
1,944,514,687 shares (2014: 1,944,514,687 shares) of AED 1 each	**1,944,515**	1,944,515

On 24 March 2015, the Company held its Annual General Meeting which, among other things, approved a 30% cash dividend amounting to AED 568,136 thousand representing AED 0.30 per share (20 March 2014: cash dividend of AED 189,709 thousand representing AED 0.10 per share).

A cash dividend of AED 0.20 per share for 2015 is proposed by the Board of Directors of the Company subject to the approval of the shareholders in the forthcoming Annual General Meeting.

On 17 September 2014, the Company's Board of Directors approved the implementation of a share buy-back programme for up to 10% of the outstanding shares of the Company. The Securities & Commodities Authority (SCA) approved the programme on 20 October 2014, which subsequently ended on 18 October 2015. As of 31 December 2015, the Company had bought 89,008,340 shares at AED 233,168 thousand (31 December 2014: 18,075,075 shares at AED 49,087 thousand) and carried the same as treasury shares.

The basic and diluted earnings per share for the year ended 31 December 2015 has been calculated using the weighted average number of shares outstanding during the year after considering the effect of treasury shares.

	2015 AED '000	2014 AED '000
Profit for the year attributable to owners of the Company	**587,841**	1,732,671
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,884,261**	1,943,902

Notes to the consolidated financial statements (continued)

16 Borrowings

	31 December 2015 AED '000					31 December 2014 AED '000				
	Effective Interest Rate	**< 1 year**	**1 – 3 years**	**> 3 years**	**Total**	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total
Funding against collared assets [1]	0.6% to 1.2%	**525,815**	**3,350,655**	**-**	**3,876,470**	0.6% to 1.2%	-	3,326,731	525,571	3,852,302
Secured term loans [2]	LIBOR+3%	**5,191**	**9,508**	**-**	**14,699**	LIBOR+3%	306,979	10,496	4,226	321,701
Repurchase liabilities [3]	1m LIBOR	**1,200,944**	**-**	**-**	**1,200,944**	1m LIBOR	663,566	-	-	663,566
Unsecured loans [4]	EIBOR - 3.93%	**9,462**	**-**	**220,680**	**230,142**	3.93%	5,350	-	220,680	226,030
		1,741,412	**3,360,163**	**220,680**	**5,322,255**		975,895	3,337,227	750,477	5,063,599

[1] On 2 September 2014 and 1 December 2014, the Group completed hedging and funding transactions for approximately 12.6% stake in AerCap, whereby an amount of AED 3,843,025 thousand was raised (net of AED 110,961 thousand prepaid interest cost) as interest bearing financing (note 12).

[2] On 27 March 2014, the Group completed the refinancing of its secured corporate term and revolving loan facility replacing it with a 5 year secured borrowing totalling to AED 2,758,500 thousand, comprising a term loan of AED 1,379,250 thousand and a revolving loan of the same amount. As at 31 December 2015, the Group had AED 1,379,250 thousand (2014: AED 1,379,250 thousand) of un-drawn banking facilities in the form of a revolving loan.

The investments and assets pledged to lenders as security are the Group's interests in equity accounted investees (refer to note 11), investment property (refer to note 7), listed equity securities (refer to note 12) and listed fixed income securities (refer to note 12).

[3] Repurchase liabilities represent the Group's effective borrowings against its investment in listed fixed income securities under a repurchase contract.

[4] These represent commercial loans and other banking facilities obtained by the Group, denominated in US Dollars.

Notes to the consolidated financial statements (continued)

16 Borrowings (continued)

The movement of borrowings is presented below:

	2015 AED '000	2014 AED '000
At 1 January	**5,063,599**	2,379,768
Loans drawn-down	**558,014**	2,371,335
Loan arrangement and prepaid interest costs, net of amortisations	**42,931**	(115,609)
Loans repaid	**(342,289)**	(3,525,881)
Funding against collared assets	**-**	3,953,986
	5,322,255	5,063,599

17 Trade and other liabilities

	2015 AED '000	2014 AED '000
Trade payables	**54,437**	24,512
Interest accrued on borrowings	**47,380**	41,163
Derivative liabilities [1]	**50,542**	69,860
End of service benefit provision	**21,715**	18,236
Dividends payable	**42,133**	26,671
Long term employee incentive (note 25)	**4,939**	-
Other payables and accruals	**135,221**	138,951
	356,367	319,393

Trade and other liabilities are stated at amortised cost except for derivative liabilities which are stated at fair value through profit or loss. The average credit period for the trade payables is 60 days. The Group has financial risk management policies in place to ensure that all the payables are paid within the agreed credit period. The contractual maturities for trade payables are within one year.

[1] The derivative liabilities held by the Group have a notional value of AED 1,171,560 thousand (2014: AED 1,386,573 thousand).

The derivative liabilities mainly represent interest rate swaps with the following maturity profiles:

	2015 AED '000	2014 AED '000
Due within 1 year	**25,469**	34,232
Due between 1 to 3 years	**20,367**	31,131
More than 3 years	**4,706**	4,497
	50,542	69,860

Notes to the consolidated financial statements (continued)

18 Revenue from sale of goods and services

	2015 AED '000			2014 AED '000		
	Revenue	**Cost of Sale**	**Gross Profit**	Revenue	Cost of Sale	Gross Profit
Sales of services	**247,974**	**(84,603)**	**163,371**	128,601	(40,514)	88,087
Rental income	**29,216**	**(2,379)**	**26,837**	15,227	(979)	14,248
Sale of inventory	**95**	**(95)**	**-**	651	(651)	-
	277,285	**(87,077)**	**190,208**	144,479	(42,144)	102,335

Revenue and cost of sales of services are mainly attributable to the healthcare operations. Rental income and direct cost of sales relate to the Group's investment property (note 7).

19 Income from financial investments

	2015 AED '000	2014 AED '000 Restated*
Financial assets at FVTOCI		
Unquoted fund - dividend income	**10,764**	12,168
Financial assets at amortised cost		
Listed fixed income securities - interest income	**2,539**	7,451
Financial assets at fair value through profit or loss		
Derivative assets	**1,022**	1,286
Listed fixed income securities	**48,700**	4,759
Listed equity securities	**48,904**	10,241
Others [1]	**90,478**	201,403
	202,407	237,308

[1] Others include income from arranging, advising and administering capital financing on behalf of Waha Capital clients.

* Income from financial investments line item aligns the profit or loss derived from the Group's financial investments. It includes amounts previously presented under the "Income from capital markets" line item, as well as "Dividend income from investments at FVTOCI" and "Fair value gain on derivatives designated at FVTPL" previously presented under the "other income/(expense)" line item.

20 Other income / (expense), *net*

	2015 AED '000	2014 AED '000 Restated*
Interest income from loan investments at amortised cost	**10,795**	10,706
Interest income from finance leases	**1,931**	2,441
Fair value loss on investment property	**(781)**	(126,083)
Provision for slow moving and obsolete inventories	**95**	(5,437)
Provision for doubtful debts	**(11,258)**	(26,366)
Other	**5,536**	7,819
	6,318	(136,920)

Notes to the consolidated financial statements (continued)

21 General and administrative expenses

	2015 AED '000			2014 AED '000		
	Company	**Subsidiaries**	**Total**	Company	Subsidiaries	Total
Staff costs	**106,073**	**87,159**	**193,232**	123,747	64,412	188,159
Legal and other professional expenses	**14,179**	**5,193**	**19,372**	20,354	5,419	25,773
Depreciation	**3,687**	**5,105**	**8,792**	3,063	3,333	6,396
Amortisation of intangible assets	**-**	**10,986**	**10,986**	-	2,246	2,246
Other	**25,479**	**100,062**	**125,541**	22,225	36,169	58,394
	149,418	**208,505**	**357,923**	169,389	111,579	280,968

During the year, the Group contributed AED 2,112 thousand (2014: AED 409 thousand) towards various social causes and initiatives.

22 Finance cost, *net*

	2015 AED '000	2014 AED '000
Interest on borrowings	**41,580**	78,887
Amortisation of loan arrangement costs	**43,177**	39,088
Interest earned on time deposits	**(11,600)**	(3,011)
	73,157	114,964

23 Related parties

Related parties may include major shareholders of the Group, directors or officers of the Group, enterprises that are in a position to exercise significant influence over the Group or those enterprises over which the Group can exercise significant influence or has joint control.

The Group conducts its transactions with related parties on arm's length terms, with any exceptions to be specifically approved by the Board. In all cases, transactions with related parties are required to be conducted in compliance with all relevant laws and regulations. Where a Board member has an actual or perceived conflict of interest over an issue to be considered by the Board, the interested member may not vote on any relevant resolutions, and can also be asked by the Chairman not to participate in the relevant Board discussions. The Company has a conflict of interest policy for Board members and, for senior management, a code of conduct. The Company takes reasonable steps to maintain an awareness of the other relevant commitments of its Directors and senior management, and thus is able to monitor compliance with this policy and code.

Significant transactions with related parties

Loan investments provided to an associate amounted to AED 12,283 thousand as at 31 December 2015 (31 December 2014: AED 23,541 thousand). Management carried out a reassessment of the recoverable value of its loan investment in the associate and consequently an amount of AED 11,258 thousand was recognised as impairment of the loan investment (2014: 22,788 thousand). In the prior year, an amount of AED 15,175 thousand was recognised as impairment on the equity accounted investment in the associate. The major driver of the impairments was management's expectation of the delayed exit horizon for certain collateralised assets carried by the associate, which are expected to generate cash flows to be collected by the Group in recovery of its investment. The loan does not bear any interest.

During the year, the Group disposed of 0.7% out of its 100% investment holding in Waha Investment Management Company SPC to its key management personnel under a co-investment plan. In the prior year, the Group disposed of 9.9% out of its 100% investment holding in Anglo Arabian Healthcare Investments LLC, and 0.41% out of its 20.6% investment holding in NPS to its key management personnel under a co-investment plan.

Notes to the consolidated financial statements (continued)

23 Related parties (continued)

Key management personnel compensation	**2015 AED '000**	2014 AED '000
Short term benefits	**25,361**	22,689
End of service benefits	**682**	629
	26,043	23,318

Key management personnel were provided co-investment opportunities by the Group (note 25).

24 Commitments

Capital Commitments

As at 31 December 2015, the Group has capital commitments of AED nil (2014: AED 13,570 thousand) with respect to the development of Phase 1 of Al Markaz project and AED 16,387 thousand (2014: nil) with respect to its healthcare subsidiary AAH.

Operating lease arrangements

The Group as lessee

The Group has entered into operating lease arrangements for office space. Annual lease payments are paid in advance. Following is the future lease payment schedule:

	2015 AED '000	2014 AED '000
Due within 1 year	**3,139**	3,139
Due between 2 to 5 years	**2,354**	5,494
	5,494	8,633

Payments recognised as an expense

	2015 AED '000	2014 AED '000
Minimum lease payments	**3,875**	3,790
	3,875	3,790

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease payments between 1 to 15 years (2014: 3 to 10 years).

Rental income earned by the Group on its investment property is set out in note 18.

The non-cancellable operating lease receivables are set out below:

	2015 AED '000	2014 AED '000
Within one year	**35,675**	25,967
Between 2 and 5 years	**91,456**	81,869
More than 5 years	**48,231**	30,961
	175,362	138,797

Notes to the consolidated financial statements (continued)

25 Employee compensation

In designing its employee compensation plans, the Group's primary objective is to provide employees with a robust compensation platform upon which they are encouraged to pursue outstanding returns and to reward them based on their results in line with the interests of the Group. This is achieved through a combination of cash salaries, variable bonuses dependent upon Group and individual's performance, and participation in various long term employee incentive and co-investment programs described below.

Investment profit participation plans
During the current year, the Group's Board of Directors has approved the following cash settled long term incentive plan for certain employees linked to investment profit participation:

- A short term trading plan, whereby the employees are granted points linked to the trading fund's performance which vest progressively over three years from the effective grant date, subject to continued employment. A cash amount representing the value of vested points derived from the fund's net asset value is paid after completing the service condition.
- A long term carried interest plan, whereby the employees are granted points linked to the realized Internal Rate of Return set for the specifically identified investments, which vest progressively, subject to continued employment and the investment exit. A cash amount representing the value of vested points is paid upon completion of the service condition and exit of the underlying investments, provided certain minimum pre-established return hurdles are satisfied.

In addition, Anglo Arabian Healthcare group ("AAH") has approved a separate long term incentive plan for its management team. Under this plan, the employees shall receive a cash amount based on the exit value of AAH, subject to the Group achieving certain financial targets, and the employees meeting the relevant service conditions.

Share linked plan
During the current year, the Group's Board of Directors has approved a cash settled share linked incentive plan for the management team, under which certain employees receive restricted stock units of Waha Capital PJSC, which vest progressively, over three years from the effective grant date, subject to continued employment. A cash amount representing the value of the vested shares, based on the latest share price, is paid upon the employee successfully completing the three year service condition.

Programs for co-investment
Investment professionals also participate in a co-investment program pursuant to which they acquire an interest in the Group's investments which they manage, at the Group's proportionate investment carrying value, thereby resulting in no gain or loss to the Group. The Group has provided co-investment opportunities for 0.7% of Waha Investment Management Company SPC to its employees under co-investment programs. In 2014 co-investment opportunities were provided for 9.9% of Anglo Arabian Healthcare Investments LLC and 0.4% of NPS (note 23).

For the current year, an amount of AED 35,000 thousand was recognised as employee costs on account of variable performance based pay outs, which includes an amount of AED 4,939 thousand accrued on account of vested long term incentive pay outs under different plans (note 17). The accrual was made using appropriate valuation techniques, considering the probability of relevant variable factors as outlined above and time value of money.

Notes to the consolidated financial statements (continued)

26 Financial Instruments

Overview

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

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management has established a committee comprising of senior management, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customer, derivative assets, cash and cash equivalents, loan investments and finance leases.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The characteristics of the Group's customer base including default risk of the industry and country in which the Group's customers operate are some of the factors which influence credit risk.

The Group has established various policies and procedures to manage credit exposure, including initial financial assessment and appraisal, collateral and guarantee requirements and continual credit monitoring. The Group establishes an allowance for impairment on a case by case basis that represents its estimate of incurred losses in respect of trade and other receivables. There is no collateral held by the Group against trade receivables.

(ii) Cash and cash equivalents

Cash is placed with commercial banks and financial institutions that have a credit rating acceptable to the Group.

(iii) Loan investments

The Group limits its exposure to credit risk by investing in counterparties whose credit ratings are within the limits prescribed by the Group's financial risk management guidelines.

(iv) Derivative assets

The Group limits its exposure to credit risk on derivative assets by dealing with financial institutions and commercial banks that have credit rating acceptable to the Group.

(v) Finance leases

The Group mitigates any credit risk associated with finance lease receivables as they are secured over the leased equipment.

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which provides appropriate liquidity risk management guidance to the management for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 16 sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The maturity profile of the assets and liabilities as at 31 December 2015 was as follows:

AED '000	**31 December 2015**					31 December 2014				
	Current	**Non-current**				Current	Non-current			
Assets	**< 1 year**	**1 – 3 years**	**> 3 years**	**Unspecified**	**Total**	< 1 year	1 – 3 years	> 3 years	Unspecified	Total
Furniture and equipment	**-**	**-**	**-**	**40,012**	**40,012**	-	-	-	13,635	13,635
Investment property	**-**	**-**	**-**	**696,010**	**696,010**	-	-	-	692,007	692,007
Goodwill and Intangible assets	**-**	**-**	**-**	**174,296**	**174,296**	-	-	-	77,337	77,337
Investments in finance leases	**6,385**	**11,389**	**-**	**-**	**17,774**	5,826	13,385	4,389	-	23,600
Loan investments	**12,283**	**-**	**220,680**	**-**	**232,963**	23,541	-	220,680	-	244,221
Investments in equity-accounted associates and joint ventures	**-**	**-**	**-**	**4,714,977**	**4,714,977**	-	-	-	4,118,227	4,118,227
Financial investments	**1,768,089**	**297,058**	**155,761**	**-**	**2,220,908**	961,161	741,400	203,899	-	1,906,460
Inventories	**8,661**	**-**	**-**	**-**	**8,661**	6,232	-	-	-	6,232
Trade and other receivables	**290,825**	**-**	**57,852**	**-**	**348,677**	183,004	-	66,326	-	249,330
Cash and cash equivalents	**1,151,658**	**-**	**-**	**-**	**1,151,658**	2,460,411	-	-	-	2,460,411
Total assets	**3,237,901**	**308,447**	**434,293**	**5,625,295**	**9,605,936**	3,640,175	754,785	495,294	4,901,206	9,791,460
Liabilities & Equity										
Borrowings	**1,741,412**	**3,360,163**	**220,680**	**-**	**5,322,255**	975,895	3,337,227	750,477	-	5,063,599
Trade and other liabilities - other	**305,825**	**-**	**-**	**-**	**305,825**	249,533	-	-	-	249,533
Trade and other liabilities - derivative liabilities	**25,469**	**20,367**	**4,706**	**-**	**50,542**	34,232	31,131	4,497	-	69,860
Equity	**-**	**-**	**-**	**3,927,314**	**3,927,314**	-	-	-	4,408,468	4,408,468
Total equity and liabilities	**2,072,706**	**3,380,530**	**225,386**	**3,927,314**	**9,605,936**	1,259,660	3,368,358	754,974	4,408,468	9,791,460

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

Market risks

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

(i) Currency risk

The Group may be exposed to currency risk on financial investments that are denominated in a currency other than the respective functional currencies of Group entities. In respect of the Group's transactions denominated in US Dollars, the Group is not exposed to the currency risk as the UAE Dirham (AED) is currently pegged to the US Dollar. The Group's exposure to currencies other than AED or US Dollars is summarised in the table below:

Financial assets at fair value through profit or loss	2015 AED '000	2014 AED '000
Listed fixed income securities		
Great British Pound	**105,631**	55,280
Euro	**71,054**	21,378
Listed equity securities		
Saudi Arabian Riyal	**12,388**	66,686
Kuwaiti Dinar	**28,758**	20,609
Great British Pound	**4,738**	12,155
Others	**44,104**	15,144
	266,673	191,252

Had the respective exchange rates in foreign currency of the assets listed above been 2% higher or lower as at 31 December 2015, the fair value on the profit or loss, as well as the respective investment carrying amounts would have been higher or lower by AED 5,333 thousand.

(ii) Interest rate risk

In the normal course of business, the Group has entered into fixed interest rate swaps, where appropriate, to hedge against the variable interest rate exposure of their borrowings except where matching lease rentals also vary in line with the changes in interest rates, thereby creating a natural hedge or where the risk of the interest rate exposure is deemed to be immaterial or acceptable in relation to the cost of entering into a hedge. The Group had a net floating rate liability position of AED 1,210,406 thousand (2014: AED 985,267 thousand). Had the relevant interest rates been higher/lower by 100 basis points, the profit for the year would have been lower/higher by AED 117,750 thousand (2014: AED 21,478 thousand).

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

Market risks (continued)

(iii) Equity and fixed income price risk

Equity and fixed income price risk arises from investments in equity and fixed income securities. Management of the Group monitors the mix of securities in its investment portfolio based on market indices to reduce the exposure on account of share prices (refer to note 26 (a) for sensitivity analysis).

Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group's leverage ratio as at 31 December is as follows:

	2015 **AED '000**	2014 AED '000
Borrowings	**5,322,255**	5,063,599
Less: Cash and cash equivalents	**(1,151,658)**	(2,460,411)
Less: Non-recourse debt	**(1,421,624)**	(884,246)
Net debt	**2,748,973**	1,718,942
Total equity attributable to owners of the Company	**3,870,594**	4,380,356
Net debt and equity	**6,619,567**	6,099,298
Leverage ratio as at 31 December	**41.53%**	28.20%

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

Fair Values

a Fair value hierarchy

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

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable for the asset or liability.

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

a Fair value hierarchy (continued)

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. As at 31 December, the Group held the following financial assets and liabilities at fair value:

	2015 AED '000	2014 AED '000	**Fair value hierarchy**	**Valuation technique**	**Sensitivity Analysis**
Financial assets at fair value through profit or loss					
a Listed equity securities	**204,163**	228,575	Level 1	Quoted bid prices in an active market.	± 5% change in quoted bid prices, impacts fair value by AED 10,208 thousand.
b Other investment in equity securities	**5,376**	6,035	Level 2	Discounted cash flow of the underlying investments.	
c Listed fixed income securities	**1,487,341**	652,930	Level 1	Quoted bid prices in an active market.	± 5% change in quoted bid prices, impacts fair value by AED 74,367 thousand respectively.
d Derivative assets	**106,493**	93,229	Level 2	The valuation is based on broker quotes which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.	± 5% change in quoted bid prices, impacts fair value by AED 5,325 thousand respectively.
Financial assets at fair value through other comprehensive income					
a Unquoted fund	**142,280**	132,387	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.	± 5% change in NAV, impacts fair value by AED 7,114 thousand.
Derivatives designated and effective as hedging instruments carried at fair value					
a Equity price collar	**275,255**	629,513	Level 2	Black-Scholes model with market observable inputs, mainly share price and market volatilities of the underlying shares.	± 10% change in share price would result in AED (274,170) / 270,007 thousand change in fair value respectively.
Financial liabilities at fair value through profit or loss					
a Derivative liabilities	**(50,542)**	(69,860)	Level 2	The valuation is based on broker quotes which are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.	± 5% change broker quotes, impacts fair value AED 2,527 thousand.

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

a Fair value hierarchy (continued)

	2015 AED '000				2014 AED '000			
Financial assets	**Total**	**Level 1**	**Level 2**	**Level 3**	Total	Level 1	Level 2	Level 3
Financial assets at FVTPL								
Investment in equity securities	**204,163**	**204,163**	**-**	**-**	228,575	228,575	-	-
Other investment in equity securities	**5,376**	**-**	**5,376**	**-**	6,035	-	6,035	-
Investment in fixed income securities	**1,487,341**	**1,487,341**	**-**	**-**	652,930	652,930	-	-
Derivative assets	**106,493**	**-**	**106,493**	**-**	93,229	-	93,229	-
Financial assets at FVTOCI								
Unquoted fund	**142,280**	**-**	**-**	**142,280**	132,387	-	-	132,387
Derivatives designated and effective as hedging instruments carried at fair value								
Equity price collar	**275,255**	**-**	**275,255**	**-**	629,513	-	629,513	-
Total	**2,220,908**	**1,691,504**	**387,124**	**142,280**	1,742,669	881,505	728,777	132,387

Financial liabilities	**Total**	**Level 1**	**Level 2**	**Level 3**	Total	Level 1	Level 2	Level 3
Financial liabilities at FVTPL								
Derivative liabilities	**(50,542)**	**-**	**(50,542)**	**-**	(69,860)	-	(69,860)	-
Total	**(50,542)**	**-**	**(50,542)**	**-**	(69,860)	-	(69,860)	-

There have been no transfers between levels 1 and 2 during the year.

Notes to the consolidated financial statements (continued)

26 Financial Instruments (continued)

a Fair value hierarchy (continued)

Reconciliation of Level 3 fair value movements

	2015 AED '000	2014 AED '000
At 1 January	132,387	135,639
Capital reduction	(1,187)	(1,137)
Total gains / (losses) in other comprehensive income	11,080	(2,115)
	142,280	132,387

b Fair values of financial assets and liabilities

The fair values of financial assets and liabilities, together with their carrying amount, are as follows:

	2015 AED '000		2014 AED '000	
Financial assets	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial assets at FVTOCI				
Unquoted fund	142,280	142,280	132,387	132,387
Derivatives designated and effective as hedging instruments carried at fair value				
Equity price collar	275,255	275,255	629,513	629,513
Financial assets at FVTPL				
Derivative assets	106,493	106,493	93,229	93,229
Listed fixed income securities	1,487,341	1,487,341	652,930	652,930
Listed equity securities	204,163	204,163	228,575	228,575
Other investments	5,376	5,376	6,035	6,035
Financial assets at amortised cost				
Listed fixed income securities	-	-	163,791	164,953
Investments in finance leases	17,774	17,774	23,600	23,600
Loan investments	232,963	232,963	244,221	244,221
Trade and other receivables	348,677	348,677	249,330	249,330
Cash and cash equivalents	1,151,658	1,151,658	2,460,411	2,460,411
Financial liabilities				
Financial liabilities at amortised cost				
Borrowings	5,322,255	5,322,255	5,063,599	5,063,599
Trade and other liabilities - others	305,825	305,825	249,533	249,533
Financial liabilities at FVTPL				
Trade and other liabilities - derivative liabilities	50,542	50,542	69,860	69,860

27 Subsequent events

Subsequent to the year end, the Group concluded its open market program by acquiring an additional stake in AerCap for an amount of AED 519,137 thousand. This increased the Group's ownership from 13.5% to 15.4%.