

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital AED '000	Statutory reserve AED '000	Cash flow hedging reserve AED '000	Investment revaluation reserve AED '000	Assets revaluation reserves AED '000	Retained earnings AED '000	Equity attributable to Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2020	7,862,630	3,931,315	(33,482)	19,439	-	13,057,604	24,837,506	113,744	24,951,250
Profit for the year	-	-	-	-	-	1,932,238	1,932,238	(10)	1,932,228
Other comprehensive income for the year	-	-	2,428	(1,297)	-	-	1,131	-	1,131
Total comprehensive income for the year	-	-	2,428	(1,297)	-	1,932,238	1,933,369	(10)	1,933,359
Dividends paid for the financial year 2019	-	-	-	-	-	(1,140,082)	(1,140,082)	-	(1,140,082)
Derecognition of non-controlling interests on loss of control of a subsidiary (note 44)	-	-	-	-	-	-	-	(42,842)	(42,842)
Balance at 31 December 2020	7,862,630	3,931,315	(31,054)	18,142	-	13,849,760	25,630,793	70,892	25,701,685
Profit for the year	-	-	-	-	-	2,315,601	2,315,601	17,848	2,333,449
Other comprehensive income for the year	-	-	30,632	11,003	73,623	-	115,258	-	115,258
Total comprehensive income for the year	-	-	30,632	11,003	73,623	2,315,601	2,430,859	17,848	2,448,707
Dividends paid for the financial year 2020 (note 35)	-	-	-	-	-	(1,140,082)	(1,140,082)	-	(1,140,082)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI	-	-	-	(19,345)	-	19,345	-	-	-
Acquisition of a subsidiary (note 45.1)	-	-	-	-	-	-	-	626,473	626,473
Balance at 31 December 2021	7,862,630	3,931,315	(422)	9,800	73,623	15,044,624	26,921,570	715,213	27,636,783

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 AED '000	2020 AED '000
Operating activities			
Profit before tax		2,333,449	1,932,228
<i>Adjustments for:</i>			
Depreciation and amortisation	5, 6	254,262	274,791
Finance income	31	(48,444)	(67,240)
Dividend income	9	(600)	(1,400)
Finance costs		265,558	304,357
(Gain)/loss on revaluation investment properties, net	7	(146,383)	399,850
Share of results of associates and joint ventures	8	8,214	9,875
Release/(provision) for onerous contracts	30	1,664	(8,258)
Provisions/impairment (trade receivables and development work in progress)		124,345	132,259
Reversal of accruals, net		(129,721)	(40,779)
Impairment of property, plant and equipment, net	5	29,060	1,396
Loss/(gain) on disposal of property, plant and equipment		2,037	(54)
Gain on disposal of investment properties	7	(14,637)	(4,396)
Gain on disposal of subsidiaries	46	-	(429,535)
Gain on disposal of businesses	51	-	(58,432)
Gain on business combination	45.2	(99,469)	-
Loss on revaluation of financial assets at FVTPL		1,271	-
Provision for impairment of investment in associates and joint ventures	30	-	70,991
Provision for employee benefits	22	67,998	55,081
Operating cash flows before movements in working capital		2,648,604	2,570,734
Movement in working capital:			
Decrease/(increase) in trade and other assets		45,667	(405,587)
Decrease/(increase) in development work in progress, inventories and plots of land held for sale		43,651	(187,937)
Decrease in contract assets		711,395	1,019,160
Increase in retentions payable		374,364	14,657
Increase/(decrease) in advances from customers		259,655	(112,489)
Increase/(decrease) in contract liabilities		53,898	(260,228)
Increase/(decrease) in trade and other payables		1,701,074	(1,198,576)
Cash generated from operations		5,838,308	1,439,734
Employee benefits paid	22	(38,050)	(39,694)
Net cash generated from operating activities		5,800,258	1,400,040

The accompanying notes form an integral part of these consolidated financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 AED '000	2020 AED '000
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(96,883)	(95,859)
Purchases of intangible assets	6	(19,107)	(14,095)
Additions to investment properties	7	(255,798)	(69,010)
Proceeds from disposal of investment properties		159,369	76,512
Proceeds from disposal of property, plant and equipment		4,417	-
Proceeds from disposal of businesses	5	-	100,325
Acquisition of a subsidiaries, net of cash acquired	45	(689,152)	(10,535)
Cash and cash equivalents derecognised on disposal of subsidiaries	46	-	(63,776)
Proceeds from disposal of financial assets at FVTOCI	9	44,906	-
Proceeds from disposal of investment in associates and joint ventures	8	16,445	-
Investment in financial assets at FVTPL		(22,928)	-
Movement in term deposits with original maturity of greater than three months		701,414	(409,869)
Movement in restricted bank balances		(1,263,359)	894,667
Finance income received		60,581	91,889
Dividends received	8, 9	639	4,900
Net cash (used in)/generated from investing activities		(1,359,456)	505,149
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(26,803)	(31,979)
Cash paid due to the settlement of the derivative financial instruments used to hedge interest rate risk		(1,655)	-
Proceeds from bank borrowings		1,572,278	500,000
Repayments of bank borrowings		(1,782,937)	(650,000)
Finance costs paid		(263,417)	(285,155)
Dividends paid		(1,140,898)	(1,141,682)
Net cash used in financing activities		(1,643,432)	(1,608,816)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		2,797,370	296,373
		2,586,485	2,290,112
Cash and cash equivalents at end of the year	15	5,383,855	2,586,485

Refer to note 42 for details of non-cash transactions excluded from the consolidated statement of cash flows.

FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

The establishment of Aldar Properties PJSC (the "Company" or "Parent") was approved by Decision No. (16) of 2004 of the Abu Dhabi Department of Planning and Economy dated 12 October 2004. The Company's incorporation was declared by Ministerial Resolution No. (59) of 2005 issued by the UAE Minister of Economy dated 23 February 2005.

The Company is domiciled in the United Arab Emirates (UAE) and its registered office address is P.O. Box 51133, Abu Dhabi.

The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (together referred to as the "Group") are engaged in various businesses primarily the development, sales, investment, construction, leasing, management and associated services for real estate. In addition, the Group is also engaged in development, construction, management and operation of hotels, schools, marinas, cooling station operations, restaurants, beach clubs and golf courses. The principal activities of the major subsidiaries are given in note 3.3 below.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS")

2.1 New and amended IFRSs that are effective for the current year

In the current year, the Group has applied the below amendments to IFRS standards and interpretations issued by the International Accounting Standard Board (IASB) that are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements except as disclosed below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate the prior period to reflect the application of these amendments, including not providing additional disclosures for 2020. There is no impact on opening equity balances as a result of retrospective application. The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions – amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received COVID-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.