The National Investor Pr. J.S.C.

Consolidated financial statements
For the year ended 31 December 2021

Principal business address:
P. O. Box 47435
Abu Dhabi
United Arab Emirates

The National Investor Pr. J.S.C.

Consolidated financial statements
For the Year Ended 31 December 2021

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Dear Shareholders,

I am pleased to report that the strategic turnaround initiatives that we undertook in Q1 2020 have allowed us to make solid progress against this agenda. FY 2021 was a year of excellent progress as we worked intensively to transform TNI and its subsidiaries to create a stronger, more efficient, and a more focused investment company.

On the back of the successful execution of our strategy, it is my pleasure to announce on behalf of the Board of The National Investor, a profitable year for the company at a time of turbulence in regional and global financial markets. And for the first time since FY 2017, we were successful in swinging our bottom line to a net profit of AED 30.6 million compared to a net loss of AED 7.1 million in the previous year.

This improvement is primarily driven by the successful exit of one of our wholly owned subsidiaries – Falcon Investments LLC, operating under the name of Colliers. The exit was achieved at an extremely attractive multiple. Falcon Investments LLC was established by TNI during 1998 and was sold during December 2021 for a total consideration of AED 50 million. The carrying book value at the disposal date amounted to AED 17.8 million which translated to an attractive exit multiple of 16 times the consolidated net income of last year.

Being an investment company, we will continue to focus on managing the proprietary investments that have entered their maturity phase with a view to creating exits and returning cash to shareholders. At the same time, we constantly look at possibilities to monetize our real estate portfolio at the right valuation and create liquidity for our shareholders by way of development or exiting at a profit. Further, we have devoted our efforts towards the bottom line of the group and liquidity of the balance sheet with a disciplined approach towards the cost base.

Consolidated assets stood at AED 485 million compared to AED million 482 million in the previous year. Our most recent current asset base includes a healthy consolidated cash position. The total liabilities to equity ratio at a consolidated level decreased to 9 % at year-end compared to 14% last year and total equity attributable to the company stood at AED 401 million compared to AED 375 million in the previous year.

Furthermore, we have a sufficiently large portfolio of liquid assets representing nearly 20% of our total balance sheet, which coupled with a particularly low level of debt at the consolidated level provides us with operational flexibility going forward.

These excellent results support TNI's strategy that aims to maximize the returns on our assets which will benefit the shareholders. We'd like to share with you the performance of our main assets during FY 2021 together with our vision: -

1. Mafraq Hotel:

Despite the Hospitality market's negative trends during the first half of the year coupled with the Covid-19 pandemic challenges, Mafraq Hotel managed to deliver a positive EBITDA of AED 7.7 million (FY 2020: AED 5.6 million) on the back of improved average year to date occupancy rates and a rationalized cost base. Further and with respect to the Hotel's term loan, Management successfully negotiated the pricing terms of the loan during the third quarter of 2021 and the new revised terms are 3.5% minimum floor p/a (down from 5% p/a). The reduced interest rate was applied from October 2021 and all other terms remained the same. Such initiative resulted in a combined net savings of approximately 700 thousand over the remaining term of the loan.

We always seek to improve the Hotel's performance and prepare it for a potential exit at the best valuation possible during the next few years.

2. Real estate portfolio of undeveloped land:

With respect to the Company's corporate offices in Sky Tower - Reem Island, we managed to lease out the office space on the 24th floor at a net average yield of 7% and we expect a gradual improvement in these rental yields as and when the general market conditions improve. As for the undeveloped plots of land, we are in the process of negotiating with one of the reputable developers in Abu Dhabi to develop our plot of land that is located in Masdar city and upon completion the original land investment would have been returned in addition to a reasonable profit. We are also preparing a feasibility study on the two plots that we have in ADNEC Exhibitions area; such study will cover a sale option or a development option.

3. Investment in associate:

As for our investment in NCC (National Catering Company Group), the group's performance was not in line with the set targets for the year due to pressures on margins, new businesses entering the industry which resulted in increased competition, however, the board of directors implemented swift measures to restructure the group, reduce costs and overheads and to enhance business development. By doing so, we expect an overall improvement in valuation levels and profitability in the future.

On a final note, and after reviewing the dividend policy and cash flows of the Group and its debt profile, and as part of our previous commitment to create value to our shareholders, my fellow board members and I would like to propose to our shareholders in the annual assembly distributions in the form of cash dividends or capital reduction whereby the reduced value will be returned to our shareholders on record. These proposals remain subject to regulatory approvals and shareholders' ratification at the Company's Annual General Meeting.

On behalf of the Board of Directors, I would like to thank you for your continued trust in TNI. I am optimistic about our future and confident in our ability to deliver incremental value to our shareholders.

Chairman of the BOD
Mr. Saeed Mohamed Al Masoud

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Independent Auditors' Report
To the Shareholders of The National Investor Pr. J.S.C.

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **The National Investor Pr. J.S.C.** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021 and the related consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended , and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial instruments

Refer to note 6 and 7 of the consolidated financial statements

The valuation of the Group's financial instruments was a key area of focus as the fair value of financial instruments is determined through the application of valuation techniques which at some instances involves the exercise of judgement and the use of assumptions and estimates. Due to the significance of financial instruments and the related uncertainty, this is considered a key audit matter.

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Independent Auditors' Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

Report on the audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Valuation of financial instruments (continued)

Our response

Our audit procedures included:

- understanding the basis of valuation used by the management for the level 1, level 2 and level 3 financial assets and ensured the valuation basis are in compliance with the requirement of IFRS 13: Fair Value Measurement;

- obtained evidences from third party sources for the data used by the management for the valuation and ensured that accuracy and reliability of the source documents;

- assessing the reasonableness and appropriateness of the methodology and assumptions used; and

- determining the adequacy of the disclosure in the consolidated financial statements .

Valuation of investment properties

Refer to note 9 of the consolidated financial statements.

The valuation of the investment properties is a significant judgment and is driven by a number of key assumptions. The judgment applied is supported by independent valuations by experienced valuers. The existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the carrying value, whether deliberate or not, could lead to an understatement/overstatement of consolidated profit or loss and other comprehensive income for the year. Due to the significance of these properties and the impact on the consolidated statement of profit or loss and related estimation uncertainty, this is considered a key audit matter.

Our response

Our audit procedures included:

- assessing the competence, independence and integrity of the external valuers and reading their terms of engagement with the Group to evaluate whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work;

- obtaining the external valuation reports for the investment properties and assessing whether the valuation was suitable for use in determining the carrying value in the consolidated statement of financial position;

- assessing the appropriateness of the key assumptions and methodologies used; and

- determining the adequacy of the disclosure in the consolidated financial statements.

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Independent Auditors' Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

Report on the audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Group acquisitions and disinvestment

Refer to note 31 and note 32 of the consolidated financial statements.

The investment of The National Investor in Falcon Investment group has come into different phases starting from end of previous year.

During the current year there were certain changes in the Group structure and the entities as comprising of increase in the ownership in a subsidiary with existing control, acquisition of control in a new subsidiary which was followed by a disposal of shares of the subgroup undertaking business in consultancy services in the Group.

Due to the complexities involved in changes in the control of the subsidiaries of the Group, the related implications arising with respect to business combinations and the discontinued operations and the significance of the subsidiaries operations on the Group's consolidated financial statements, this has been considered as a key audit matter.

Our response

Our audit procedures included:

- Obtaining and examining documents in support of the sale and purchase transactions.
- Reviewing the purchase price allocation for reasonableness and assessing the reasonableness of the data, methods and assumptions used in the determination of the fair values of the net assets required.
- determining the adequacy of the disclosure in the consolidated financial statements in line with the requirements of the applicable financial reporting framework.

Other Information

Management is responsible for the other information contained in the consolidated financial statements which comprises the information included in the Chairman's Report, but which does not include the consolidated financial statements and our auditors' report thereon.

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

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

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Independent Auditors' Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

Report on the audit of the Consolidated Financial Statements (continued)

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Independent Auditors' Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

Report on the audit of the Consolidated Financial Statements (continued)

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- 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 as amended;

- the Group has maintained proper books of account;

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

- as disclosed in notes 6 and 7 to the consolidated financial statements, the Group has not purchased shares during the year ended 31 December 2021;

Independent Auditors' Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

Report on Other Legal and Regulatory Requirements (continued)

- note 19 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

- 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 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended or in respect of the Group's Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2021.

Further, as required by the UAE Union Law No. (14) of 2018, as amended, we report that we have obtained all the other information and explanations we considered necessary for the purpose of the audit.

Grant Thornton

GRANT THORNTON

Farouk Mohamed
Registration No: 86
Abu Dhabi, United Arab Emirates
Date: 31 March 2022

The National Investor Pr. J.S.C.

Consolidated statement of financial position
As at 31 December 2021

	Note	2021 AED'000	2020 AED'000
ASSETS			
Cash and bank balances	5	**44,761**	52,640
Investments at fair value through profit or loss	6	**10,000**	13,690
Investments at fair value through other comprehensive income	7	**11,347**	11,496
Amounts due from related parties	19	**986**	1,476
Investments in associates	8	**56,852**	60,681
Investment properties	9	**128,833**	122,290
Intangible assets		**-**	993
Property, fixtures and equipment	10	**177,970**	191,721
Other assets	11	**54,628**	26,632
TOTAL ASSETS		**485,377**	481,619
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans	12	**23,750**	30,487
Other liabilities	13	**12,382**	24,127
Amounts due to related parties	19	**48**	102
TOTAL LIABILITIES		**36,180**	54,716
EQUITY			
Share capital	14	**377,500**	377,500
Legal reserve	15	**62,101**	59,042
Optional reserve	16	**3,678**	619
Fair value reserve		**(60,784)**	(61,544)
Retained earnings/(Accumulated losses)		**18,509**	(727)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**401,004**	374,890
Non-controlling interests	17	**48,193**	52,013
TOTAL EQUITY		**449,197**	426,903
TOTAL LIABILITIES AND EQUITY		**485,377**	481,619

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2022, and signed on their behalf by:

Mr. Saeed Mohamed Almasoud
Chairman

Mr. Rami Hurieh
Managing Director

The notes from 1 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss
For the year ended 31 December 2021

	Note	**2021** **AED'000**	2020 AED'000
Fee and service income	21	**24,561**	25,315
Net income from investments at fair value through profit or loss	22	**643**	329
Dividend income from investments at fair value through other comprehensive income		**280**	163
Share of profit of associates	8	**1,418**	2,152
Change in fair value of investment properties	9	**1,776**	(3,093)
Interest income	23	**496**	909
Other income		**1,137**	905
		30,311	26,680
Operating expenses		**(6,118)**	(6,588)
General and administrative expenses	24	**(15,607)**	(8,240)
Staff costs	25	**(5,035)**	(11,963)
Depreciation and amortisation		**(7,813)**	(8,246)
Interest expense	26	**(1,418)**	(1,523)
Impairment losses on trade receivables	11	**(3,866)**	(56)
		(39,857)	(36,616)
Loss for the year from continuing operations		**(9,546)**	(9,936)
Profit for the year from discontinued operations	32	**39,846**	3,016
Profit/(loss) for the year		**30,300**	(6,920)
Attributable to:			
Shareholders of the Parent Company		**30,591**	(7,087)
Non-controlling interests	17	**(291)**	167
		30,300	(6,920)
Basic earnings per share (AED)	27	**0.081**	(0.019)

The notes from 1 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive income
For the year ended 31 December 2021

	Note	2021 AED'000	2020 AED'000
Profit / (loss) for the year		**30,300**	(6,920)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Fair value loss on financial assets at fair value through other comprehensive income	7	**(149)**	(2,528)
Remeasurement of end of service benefit		**(356)**	-
Share of other comprehensive income movement from associate		**146**	(1,945)
Total other comprehensive loss		**(359)**	(4,473)
Total comprehensive income/(loss)		**29,941**	(11,393)
Attributable to:			
Shareholders of the Parent Company		**30,232**	(11,560)
Non-controlling interests		**(291)**	167
		29,941	(11,393)

The notes from 1 to 34 form an integral part of these consolidated financial statements.

The National Investor Pr.J.S.C.

Consolidated statement of changes in equity
For the year ended 31 December 2021

	Share capital AED'000	Legal reserve AED'000	Optional reserve AED'000	Fair value reserve AED'000	(Accumulated losses) /retained earnings AED'000	Equity attributable to the share-holders of Parent Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance as at 1 January 2020	577,500	59,042	50,619	(57,071)	6,360	636,450	52,202	688,652
Loss for the year	-	-	-	-	(7,087)	(7,087)	167	(6,920)
Other comprehensive loss	-	-	-	(4,473)	-	(4,473)	-	(4,473)
Return of capital to shareholders (note 14)	(200,000)	-	-	-	-	(200,000)	-	(200,000)
Distribution of special dividends (note 16)	-	-	(50,000)	-	-	(50,000)	-	(50,000)
Change in non-controlling interests	-	-	-	-	-	-	(356)	(356)
Balance as at 31 December 2020	377,500	59,042	619	(61,544)	(727)	374,890	52,013	426,903
Balance as at 1 January 2021	377,500	59,042	619	(61,544)	(727)	374,890	52,013	426,903
Profit for the year	-	-	-	-	30,591	30,591	(291)	30,300
Other comprehensive loss	-	-	-	234	(593)	(359)	-	(359)
Transaction with owner (note 3)	-	-	-	-	(4,429)	(4,429)	-	(4,429)
Transfer to legal reserve (note 15)	-	3,059	-	-	(3,059)	-	-	-
Transfer to optional reserve (note 16)	-	-	3,059	-	(3,059)	-	-	-
Exchange differences on translation - reclassified to profit or loss (note 32)	-	-	-	311	-	311	-	311
Remeasurement of end of service benefits – transferred to retained earnings	-	-	-	215	(215)	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	(3,529)	(3,529)
Balance as at 31 December 2021	**377,500**	**62,101**	**3,678**	**(60,784)**	**18,509**	**401,004**	**48,193**	**449,197**

The notes from 1 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2021

	Note	2021 AED'000	2020 AED'000
Cash flows from operating activities			
Loss for the year		**(9,546)**	(9,936)
Adjustments for:			
Depreciation of property, plant and equipment	10	**7,809**	8,246
Amortisation of intangible assets		**4**	4
Share of profit of associates	8	**(1,418)**	(2,152)
Net revaluation gain/(loss) on investment properties	9	**(1,776)**	3,093
Net loss from investments carried at fair value through profit or loss	22	**20**	508
Fair value change in investments at fair value through profit or loss	22	**-**	58
Impairment losses on trade receivables	11	**3,866**	56
Interest income	23	**(496)**	(909)
Interest expense	26	**1,418**	1,523
Provision for employees' end of service benefits	13	**288**	253
Dividend income from investments at fair value through other comprehensive income		**(280)**	(163)
		(111)	581
Changes in:			
Amounts due from related parties		**490**	(1,380)
Other assets		**(9,822)**	(4,686)
Other liabilities		**4,920**	(3,157)
Amounts due to related parties		**168**	4,506
Non-controlling interest		**(3,529)**	282
Employees' end of service benefits paid	13	**(353)**	(3,344)
Net cash used in continuing operations		**(8,237)**	(7,198)
Net cash from discontinued operations		**4,386**	9,074
Net cash (used in) from operating activities		**(3,851)**	1,876
Cash flows from investing activities			
Purchase of property, fixtures and equipment, net	10	**(31)**	(24)
Proceeds from sale of investments at fair value through profit or loss		**3,670**	67,135
Proceeds from partial redemption of investment at fair value through other comprehensive income	7	**-**	881
Proceeds from partial redemption of investment in associate		**-**	25,338
Proceeds from profit distribution of investment in associate	8	**5,394**	6,100
Term deposits		**(18,309)**	13,396
Interest income received	23	**496**	2,989
Dividend income received from investments carried at fair value through other comprehensive income		**280**	163
Net cash (used in) from continuing operations		**(8,500)**	115,978
Net cash (used in) discontinued operations		**(3,223)**	(690)
Net cash (used in) from investing activities		**(11,723)**	115,288
Cash flows from financing activities			
Return of capital to equity holders of the parent	14	**-**	(200,000)
Dividends paid to equity holders of the parent	16	**-**	(50,000)
Interest expense paid	26	**(1,418)**	(856)
Repayment of term loans		**(6,737)**	(1,883)
Net cash used in continuing operations		**(8,155)**	(252,739)
Net cash used in discontinued operations		**(2,459)**	(949)
Net cash used in financing activities		**(10,614)**	(253,688)
Net decrease in cash and cash equivalents		**(26,188)**	(136,524)
Cash and cash equivalents as at 1 January		**49,055**	185,579
Cash and cash equivalents as at 31 December	5	**22,867**	49,055

The notes from 1 to 34 form an integral part of these consolidated financial statements.

1 Legal status and principal activities

The National Investor Pr. J.S.C. (the "Company") is registered in Abu Dhabi, United Arab Emirates ("UAE") and is listed on the Abu Dhabi Securities Exchange as a Private Joint Stock Company since 2014. The Company is subject to the Federal Law No. 2 of 2015 concerning commercial companies and the executive Ministry of Economy Decision No. 539 of 2017 concerning private joint stock companies. In 2001, the Company received approval from the Central Bank of the UAE to conduct financial investment business as an investment company in accordance with the Central Bank's Board of Directors' Resolution No. 164/8/94 dated 18 April 1995 regarding the regulations for investment companies and banking and investment consultation companies. The Company was also licensed and regulated by the UAE Securities and Commodities Authority (SCA) for conducting Financial Advisory activity since 2012, Investment Management activity since 2017 and Management activity since 2018. The Company ceased all financial activities since the end of 2019 and applied for voluntary cancellation of its SCA licenses.

On 6 May 2020, SCA released its Decision 22 RT/2020 concerning the approval on voluntary cancellation of TNI's Financial Analysis License. On 8 May 2020, the SCA issued approval for the voluntary cancelation of the management license. The Investment Management SCA license is under cancellation.

Federal Law by Decree No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 with an effective date of 2 January 2022, and will entirely replace Federal Law No. 2 of 2015, as amended, on Commercial Companies. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than 30 June 2022.

The Company and its subsidiaries (together referred as the "Group") are managed as an integrated investment and financial services company.

The principal activities of the Group are private equity, real estate investment and provision of consultancy, economic feasibility consultancy and studies, commercial agencies and hospitality.

The registered head office of the Company is at P.O. Box 47435, Abu Dhabi, United Arab Emirates.

These consolidated financial statements of the Group were authorised and approved for issue by the Board of Directors on 29 March 2022.

2 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") and applicable requirements of the UAE Federal Law No. (2) of 2015, as amended.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values as explained in the accounting policies below.

2 Basis of preparation (continued)

Functional and reporting currency

The consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is the functional and reporting currency of the Group and all values are rounded to the nearest AED thousands, except when otherwise indicated.

Impact of COVID-19 and going Concern

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and casing pressure on credit and liquidity in the UAE. Moreover, the board of directors of The National Investor Pr.J.S.C. has taken adequate measures and immediate initiatives that contributed positively to the overall cost base of the Group.

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these consolidated financial statements. Nevertheless, these developments could impact the Group's future financial results, cash flows and financial position.

3 Basis of consolidation

The accompanying consolidated financial statements comprise of financial statements of the Company and its subsidiaries (together referred to as the "Group"). The details of the Company's subsidiaries and their principal activities are as follows:

		Ownership interest %		
	Country of incorporation	**31 December 2021**	31 December 2020	**Principal activity**
Operating entities				
Mainland Management LLC	U.A.E.	**67**	67	Real estate investments
Falcon Investments LLC*	U.A.E.	**-**	100	Property management, advisory and investment brokerage services
National Investor Property Management LLC - a subsidiary of Falcon Investments LLC*	U.A.E.	**-**	100	Advisory and consultancy services
Robert Flanagan Arabian Management Consultancy LLC – a subsidiary of Falcon Investments LLC*	U.A.E.	**-**	51	Management consultancy services
Professional Realtors Company Ltd - a subsidiary of Falcon Investments LLC*	K.S.A.	**-**	80	Real estate and consultancy
Uptown Management LLC	U.A.E.	**100**	100	Real estate investments
Uptown Investment LLC	U.A.E.	**100**	100	Real estate investments
Mainland Investment LLC	U.A.E.	**100**	100	Real estate investments
Mafraq Hotel – a subsidiary of Mainland Investment LLC	U.A.E.	**100**	100	Hospitality services
MENA Real Estate Solutions LLC - – a subsidiary of Falcon Investments LLC*	U.A.E.	**-**	100	Real estate and consultancy
Colliers International Property Services LLC – a subsidiary of Falcon Investments LLC*	Qatar	**-**	100	Real estate and consultancy service

3 Basis of consolidation (continued)

	Country of incorporation	Ownership interest % 31 December 2021	31 December 2020	Principal activity
Operating entities (continued)				
Colliers International Property Consultancy - a subsidiary of Falcon Investments LLC*	Egypt	**-**	100	Real estate and consultancy service
Al Jeyoun Limited	U.A.E.	**100**	100	Real estate investments, investments in PJSCs
Special purpose entities				
United Capital LLC	U.A.E.	**100**	100	Asset Management
Fidelity Invest LLC (owned by The National Investor Pr.J.S.C. One Man Company LLC)	U.A.E.	**100**	100	Asset Management
Al Dhafra Capital LLC	U.A.E.	**100**	100	Asset Management
TNI Capital Partners Limited	Cayman Islands	**100**	100	Private Equity Funds
TNI General Partners Limited	Cayman Islands	**100**	100	Private Equity Funds
Blue Chip Capital LLC	U.A.E.	**100**	100	Asset Management

* During the current year, the Group increased its ownership in "Professional Realtors Company Ltd" from 80% to 100%. Also, during the year, and through its wholly owned subsidiary MENA Real Estate Solutions LLC, the Group has entered into an agreement with Eman Anees Bader (seller) to acquire 75% equity stake with 90% share in profits in Enterprise Solution for Real Estate Valuation (acquired entity), KSA. These transactions resulted in an equity adjustment amounting to AED 4.4 million which is shown in the consolidated statement of changes in equity as transaction with owner.

Later, on 21 December 2021, the National Investor Pr. J.S.C. sold its entire share of Falcon Investment LLC and its subsidiaries, hence the additional acquisition was disposed and as result, the Falcon group no longer exists as of 31 December 2021.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

3 Basis of consolidation (continued)

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

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group 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 in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

4 Significant accounting policies and changes in accounting policies and disclosures

Changes in accounting policies and disclosures

New and amended standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Changes in accounting policies and disclosures (continued)

Standards, amendments and interpretations issued but not yet effective

The following new standards/ amendments to standards which were issued up the date of issuance of these consolidated financial statements and are not yet effective for the year ended 31 December 2021 have not been applied while preparing these consolidated financial statements. The Group does not expect that the adoption of these standards / amendments will have a material impact on its consolidated financial statements:

New standards and revised IFRSs not yet effective and has not been adopted early by the Group	Effective date
Amendments to IAS 1 to address classification of liabilities as current or non-current providing a more general approach based on the contractual arrangements in place at the reporting date.	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements	1 January 2022
Amendments to IAS 16 'Property, Plant and Equipment' regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.	1 January 2022
Amendments to IAS 37 amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.	1 January 2022
Annual improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures (2011)' relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. The impact of these standards and amendments is currently being assessed by the management.

Summary of significant accounting policies

Recognition of income and expenses

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Fee and service income

Fee and income from services provided by the Group during the year are recognised on an accrual basis when the services are rendered and no significant uncertainties remain regarding the recovery of consideration due. Fees that are earned on the execution of a significant act are recognised as revenue when the significant act has been completed.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Recognition of income and expenses (continued)

Interest income and expenses
Interest income comprises income on call, sukuk and time deposit accounts and is recognised in the consolidated statement of profit or loss as it accrues using the effective interest method. Interest expense is comprised of borrowing costs on loans and recognised in statement of profit or loss using the effective interest method. Borrowing costs on qualifying assets are capitalised in the cost of qualifying asset.

Dividend income
Dividend income is recognised when the Group's right to receive the payment is established.

Other Income
Other income is composed of rental income, foreign exchange gain and other miscellaneous income.

Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Additional disclosures are provided in Note 31 and 32. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Foreign currencies

In preparing the consolidated financial statements, each individual Group entity's 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.

Special purpose vehicles ('SPVs')

Special purpose vehicles are entities that are created to accomplish a narrow and well-defined objective such as the securitization of assets, or the execution of a specific financing transaction. An SPV is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPV's risk and rewards, the Group concludes that it controls the SPV.

Fiduciary activities

The Group acts as a trustee/manager and in other capacities that result in holding or placing of assets in a fiduciary capacity on behalf of trusts or other institutions. Such assets and income arising thereon are not included in the consolidated financial statements as they are not assets of the Group.

Investment in associates

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.

On acquisition of the investment in an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of associates recognised at the date of acquisition 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, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of profit or loss in the period in which the investment is acquired.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Investment in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting from the date on which the investment becomes an associate. Under the equity method, an investment in associates is initially recognised in the consolidated statement of financial position at cost, including transaction cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates.

When the Group's share of losses of associates exceeds the Group's interest in those associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates), 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 associates.

The requirements of International Financial Reporting Standards are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment 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 and charged to consolidated statement of profit or loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate. When the Group retains its interest in the former associate and the retained interest is financial asset, the Group measures the retained interest at fair value at that date and this fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate 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 is included in the determination of the gain or loss on disposal of the associate.

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 joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Upon disposal of associates that results in the Group losing significant influence over those associates, the Group measures and recognises any retained investment at its fair value. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to the associates on the same basis as would be required if the associates had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the associates 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 it loses significant influence over the associates.

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

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are initially measured at cost. Subsequently, investment properties are measured at fair value basis, with changes in fair value recognised under profit and loss.

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 the consolidated statement of profit or loss in the period in which the property is derecognised. Transfers to investment properties are made when, and only when there is change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

Transfers from investment properties are made when, and only when, there is change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Property, fixtures and equipment

Property, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. 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 repair and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation is charged so as to write off the cost over their estimated useful lives using the straight-line method as follows:

Leasehold improvements	3 - 4 years
Buildings	30 years
Furniture and fixtures	3 - 7 years
Office equipment	2 - 10 years
Motor vehicles	3 - 5 years

Freehold land is not depreciated. 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 carrying values of property, fixtures and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

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

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Property, fixtures and equipment (continued)

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the consolidated statement of comprehensive income when the asset is derecognized.

Assets under construction are recorded at cost and represents costs based on contractual payments for the design, development, construction and commissioning of the Group and those other costs incurred during the development stage directly attributable to the construction of the Group. Assets under construction are transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and commissioned.

Cash and bank balances

Cash and bank balances in the consolidated statement of financial position compromise of cash at banks, cash on hand and term deposits.

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

Financial assets and financial liabilities

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income – debt investment; Fair value through other comprehensive income – equity investment; or Fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss:

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

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Financial assets and financial liabilities (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

A debt investment is measured at Fair value through other comprehensive income if it meets both of the following conditions and is not designated as at Fair value through profit or loss:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through Other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business Model Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Financial assets and financial liabilities (continued)

Financial instruments and contract assets

The group recognises loss allowances for ECLs on:

- Trade receivables and other financial receivables;
- Deposits for markets guarantee; and
- Due from securities markets and bank balances.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised financing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Financial assets and financial liabilities (continued)

Derecognition (continued)

On derecognition of a financial asset that is classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve in equity is not reclassified to the consolidated statement of profit or loss but is transferred to retained earnings within equity.

Offsetting

Financial assets and liabilities are offset and reported net in the consolidated financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions. The Group is party to a number of arrangements, including master netting agreements that give it the right to offset financial assets and financial liabilities but where it does not intend to settle the amounts net or simultaneously and therefore the assets and liabilities concerned are presented on a gross basis.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term liabilities when the recognition of interest is immaterial.

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

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Financial assets and financial liabilities (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment income, segment expenses and segment performance include transfers between business segments. Refer to note 28 on business segment reporting.

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 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 reasonably certain that reimbursement will be received and the amount of the receivable can be measured reliably. Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Employees' benefits

Short term employee benefits

Short-term employee obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of a past service provided by the employee and the obligation can be estimated reliably.

Leases

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components an account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis a those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Leases (continued)

As a lessee (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Summary of significant accounting policies (continued)

Leases (continued)

As a lessor

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

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Significant accounting judgements, estimates and assumptions

Estimates and assumptions

Classification of investments in subsidiaries and associates

Management performed an assessment on the extent of control or influence over the entities considered subsidiaries and associates. Management is satisfied that the investments are appropriately classified after consideration of the Group's control or influence over the operational and financial policies of these entities.

Impairment of investments in associates

Management regularly reviews its investments in associates for indicators of impairment. This determination of whether investments in associates impaired entails Management's evaluation of the specific investee's profitability, liquidity, solvency and ability are to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in profit or loss.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Significant accounting judgements, estimates and assumptions (continued)
Estimates and assumptions (continued)

Impairment of trade and other receivables and amounts due from related parties

An estimate of the collectible amount of trade and other receivables and amounts due from related parties is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired entails Management's evaluation of the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including discussion with legal department and review of current economic environment and ECL calculation. Management believes that the recorded provision is sufficient to cover anticipated losses.

At the consolidated statement of financial position date, gross trade receivables and amounts due from related parties were AED 8.3 million and AED 0.9 million respectively (31 December 2020: AED 28.4 million and AED 1.48 million respectively), with provision for doubtful debts amounting to AED 5.9 million (31 December 2020: AED 10.3 million). Any difference between the amounts actually collected in future periods and the amounts expected to be recovered will be authorized in the consolidated statement of profit or loss.

Valuation of unquoted equity investments

Valuation of unquoted equity investments at fair value through other comprehensive income and at fair value through profit or loss are normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models. Management believes that the unquoted equity investments are appropriately stated at fair value as of 31 December 2021.

Fair value of investment properties

In order to assess the fair value of investment properties, the Group engages the services of professional appraisers. Management believes that the appraised value reflects the true fair value of properties in light of current economic situations. The total fair value of investment properties at 31 December 2021 amounted to AED 128.8 million (31 December 2020: AED 122.3 million).

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. As at 31 December 2021, the Group have not recognised an impairment loss on its non-financial assets.

Classification of property, fixtures and equipment and investment properties

Property, fixtures and equipment includes tangible items that are expected to be used in more than one reporting period and that are used in production, for rental, or for administration while investment properties is land or a building or both that is held to earn rentals or for capital appreciation or both, not owner-occupied, not used in production or supply of goods and services, or for administration and not held for sale in the ordinary course of business. In order to distinguish between what are the uses of each of the properties of the Group, the management of the Group has exercised significant judgements to determine the proper classification.

Determining the lease term of contracts with renewal and termination options – Group as lessee

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

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

4 Significant accounting policies and changes in accounting policies and disclosures (continued)

Significant accounting judgements, estimates and assumptions (continued)
Estimates and assumptions (continued)

Determining the lease term of contracts with renewal and termination options – Group as lessee
That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant authorization to the leased asset).

Leases – Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

5 Cash and bank balances

	2021 AED'000	2020 AED'000
Cash in hand	**15**	186
Call and current accounts with banks	**17,123**	35,787
Term deposits	**27,623**	16,667
Cash and bank balances	**44,761**	52,640
Less: Term deposits with maturities over three months	**(21,894)**	(3,585)
Cash and cash equivalent	**22,867**	49,055

Bank deposits carry interest rates ranging from 1.40% to 2.85% (31 December 2020: 0.87% to 2.5%) per annum.

6 Investments at fair value through profit or loss

	2021 AED'000	2020 AED'000
Investment in Sukuk	**10,000**	13,690

Movement in financial investments at fair value through profit or loss:

	2021 AED'000	2020 AED'000
Balance at the beginning of the year	**13,690**	81,391
Disposal during the year	**(3,690)**	(67,643)
Change in fair value during the year	**-**	(58)
Balance at the end of the year	**10,000**	13,690

7 Investments at fair value through other comprehensive income

	2021 AED'000	2020 AED'000
Listed equity securities	**3,044**	4,566
Investment in equity funds	**8,303**	6,930
	11,347	11,496

Movement in financial investments at fair value through other comprehensive income

	2021 AED'000	2020 AED'000
Balance at the beginning of the year	**11,496**	14,905
Disposal during the year	**-**	(881)
Change in fair value during the year	**(149)**	(2,528)
Balance at end of the year	**11,347**	11,496

8 Investments in associates

The Group has the following investments in associates which are accounted for using the equity method.

Company Name	Country of incorporation	Ownership interest % 2021	Ownership interest % 2020	Principal activity
National Entertainment LLC	U.A.E.	**40.00 %**	40.00 %	Entertainment services
Growth Capital Fund	Cayman Islands	**35.71 %**	35.71 %	Asset management
National Catering Company LLC	U.A.E.	**10.00 %**	10.00 %	Catering services and facility management

Summarised financial information of the associates is set out below.

	2021 AED'000	2020 AED'000
Associates' statement of financial position		
Assets	**590,157**	646,277
Liabilities	**(229,374)**	(284,841)
Net assets	**360,783**	361,436
Group's share of net assets	**56,852**	60,681
Carrying amount of investment in associates	**56,852**	60,681
Associates' revenue and profit:		
Revenue	**687,209**	761,129
Profit for the year	**25,779**	30,673
Group's share of profit for the year	**1,418**	2,152

8 Investments in associates (continued)

During the year ended 31 December 2021, the Group had distributions from National Catering Company (NCC) and Growth Capital Fund amounting to AED 2 million and AED 3.39 million, respectively (31 December 2020: National Catering Company AED 2.5 million and National Entertainment Company AED 3.6 million).

All associates are private companies; therefore no quoted market prices are available for its shares.

As of 31 December 2021, the Group's share of the contingent liabilities of associates (corporate guarantees) amounted to AED nil (31 December 2020: AED nil).

9 Investment properties

	2021	2020
	AED'000	AED'000
Opening balance	**122,290**	109,267
Addition during the year	**-**	16,116
Transfers during the year	**4,767**	-
Net revaluation gain/(loss)	**1,776**	(3,093)
	128,833	122,290

The Group owns two plots of land for which the Group has the intention to construct investment properties, therefore these plots of land have been classified as investment properties. The Group also owns an office floor in a commercial tower that is held to earn rental income which is classified as investment property. Further, during the year, the Group transferred offices classified as property plant and equipment to investment properties as it rented them to external parties.

Also, as a result of acquiring the joint venture "Al Jeyoun limited" which incurred in previous year, the underlying plot of land in the books of "Al Jeyoun limited" is classified as investment property.

Investment properties are stated at fair value, which were determined by reference to a valuation carried out by an independent valuer not related to the Group. The valuation, which conforms to the Royal Institution of Chartered Surveyors Valuation Standards, was arrived at by considering the residual method and direct sales comparison method of valuation for each of the land plots and office floor respectively.

The following illustrates the analysis of investment properties recorded at fair value by level of hierarchy:

	Date of valuation	**Total AED'000**	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**
31 December 2021					
Investment properties – plots of land	**25 Feb and 9 Mar 2022**	**88,390**	**-**	**-**	**88,390**
Investment properties – office units	**25 Feb 2022**	**23,743**	-	-	**23,743**
Investment properties – Musataha land	**9 Mar 2022**	**16,700**	-	-	**16,700**
31 December 2020					
Investment properties – plots of land	3 Jan 2021	88,400	-	-	88,400
Investment properties – office units	3 Jan 2021	17,774	-	-	17,774
Investment properties – Musataha land	1 Nov 2020	16,116	-	-	16,116

9 Investment properties (continued)

Description of valuation techniques used and key inputs to valuation of investment properties:

Investment property	Valuation technique	Significant unobservable inputs	31 December 2021
Plot C13 – Mixed use	Direct sales comparison method	Sales rate on GFA	AED155/sq. ft.
		Sales rate on Plot	AED1,955/sq. ft.
Plot C7 – Commercial - Offices	Direct sales comparison method	Sales rate on GFA	AED150/sq. ft.
		Sales rate on Plot	AED1,783/sq. ft.
Office units	Direct sales comparison method	Sales rate (unit 2401)	AED1,050/sq. ft.
		Sales rate (unit 2402)	AED1,300/sq. ft.
		Sales rate (unit 2403)	AED1,325/sq. ft.
		Sales rate (unit 2404)	AED1,250/sq. ft.
		Sales rate (unit 2405)	AED1,300/sq. ft.
		Sales rate (unit 2406)	AED1,325/sq. ft.
Plot 32 F01b – Residential	Residual method	Gross Floor Areas	99,083 sq. ft.
		Gross External Area	175,760 sq. ft.
		Sales rate (Townhouse TH 4B)	AED1,050/sq. ft.
		Sales rate (Studio)	AED950/sq. ft.
		Sales rate (1 BR Apartment)	AED960/sq. ft.
		Sales rate (2 BR Apartment)	AED960/sq. ft.
		Construction cost (above ground)	AED380/sq. ft.
		Construction cost (below ground)	AED200/sq. ft.
		Professional fees	8%
		Finance costs	4%
		Marketing fees	3%
		Developer's profit	15%
		Construction time frame	27 months

9 Investment properties (continued)

Description of valuation techniques used and key inputs to valuation of investment properties:

Investment property	Valuation technique	Significant unobservable inputs	31 December 2020
Plot C13 – Mixed use	Residual method	Finance costs	6%
		Construction time frame	24 months
		Gross development area	280,906 sq ft.
		Rent	AED 55,000 studio / AED 75,000 1 room / AED 100,000 2 room / AED 130,000 3 room apartment
Plot C7 – Commercial	Residual method	Finance costs	6%
		Construction time frame	24 months
		Gross development area	299,000 sq ft.
		Net lettable area	239,200 sq ft.
		Rent	AED 110/sq ft.
Office units	Direct sales comparison method	Sales rate	AED 1,200/sq. ft
Plot F01b – Residential	Direct sales comparison method	Sales rate	AED 1,750/sq. m

The residual valuation approach is the valuation method accepted by the Royal Institution of Chartered Surveyors for valuing developments and opportunities which take time to come to fruition. The residual approach works on the premise that the price a hypothetical purchaser will pay for the land or development opportunity is the surplus remaining after the costs of construction, purchase and sale costs, the cost of finance and an allowance for the profit required to undertake the project have been deducted from the sales price of the completed development.

10 Property, fixtures and equipment

	Freehold land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Total AED'000
Cost							
As at 1 January 2021	61,506	2,693	201,264	10,173	27,200	1,750	304,586
Additions	-	-	-	16	15	-	31
Disposals	-	-	-	-	(106)	-	(106)
Transfers to investment property (Note 9)	-	-	(5,443)	-	-	-	(5,443)
Impact of disposal of a subsidiary	-	(1,586)	-	(1,522)	(5,736)	(675)	(9,519)
As at 31 December 2021	61,506	1,107	195,821	8,667	21,373	1,075	289,549
Accumulated depreciation							
As at 1 January 2021	-	1,873	69,112	9,302	22,422	1,321	104,030
Charge for the year	-	-	5,874	668	1,180	87	7,809
Disposals	-	-	-	-	(106)	-	(106)
Transfers to investment property (Note 9)	-	-	(676)	-	-	-	(676)
Impact of disposal of a subsidiary	-	(1,537)	-	(1,303)	(5,053)	(420)	(8,313)
As at 31 December 2021	-	336	74,310	8,667	18,443	988	102,744
Net carrying amount before impairment							
As at 31 December 2021	61,506	771	121,511	-	2,930	87	186,805
Impairment							
As at 31 December 2021	3,655	-	5,064	-	116	-	8,835
Net carrying amount after impairment							
As at 31 December 2021	57,851	771	116,447	-	2,814	87	177,970

10 Property, fixtures and equipment (continued)

	Freehold land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Total AED'000
Cost							
As at 1 January 2020	61,506	2,654	201,264	10,146	26,818	1,663	304,051
Additions	-	39	-	27	454	233	753
Disposals	-	-	-	-	(72)	(146)	(218)
As at 31 December 2020	61,506	2,693	201,264	10,173	27,200	1,750	304,586
Accumulated depreciation							
As at 1 January 2020	-	1,862	63,082	8,540	20,786	1,331	95,601
Charge for the year*	-	11	6,030	762	1,682	137	8,622
Disposals	-	-	-	-	(46)	(147)	(193)
As at 31 December 2020	-	1,873	69,112	9,302	22,422	1,321	104,030
Net carrying amount before impairment							
As at 31 December 2020	61,506	820	132,152	871	4,778	429	200,556
Impairment							
As at 31 December 2020	3,655	-	5,064	-	116	-	8,835
Net carrying amount after impairment							
As at 31 December 2020	57,851	820	127,088	871	4,662	429	191,721

* Charge for the year included depreciation amounting to AED 0.4 million related to disposed subsidiary. This amount is presented under profit for the year from discontinued operations in the consolidated statement of profit or loss.

11 Other assets

	2021 AED'000	2020 AED'000
Trade receivables	**8,342**	28,424
Prepaid expenses	**690**	3,421
Accrued income	**525**	1,426
Due from employees	**5**	260
Right of use of asset	**-**	2,329
Sale consideration receivable (note 31)	**50,000**	-
Others	**950**	1,107
	60,512	36,967
Less: allowance for expected credit loss	**(5,884)**	(10,335)
	54,628	26,632

Movement in allowance for doubtful debts:

	2021 AED'000	2020 AED'000
Balance at the beginning of the year	**10,335**	10,439
Charge for the year*	**3,866**	76
Impact of disposal of a subsidiary	**(8,252)**	-
Written off during the year	**(65)**	(180)
Balance at the end of the year	**5,884**	10,335

* Charge for the year 2020 included provision amounting to AED 20 thousand related to disposed subsidiary. This amount is presented under profit for the year from discontinued operations in the consolidated statement of profit or loss.

As at 31 December 2021, the ageing of unimpaired trade receivables is as follows:

			Past due but not impaired			
	Total AED'000	Neither past due nor impaired AED'000	< 30 days AED'000	31 – 60 days AED'000	61 – 90 days AED'000	> 90 days AED'000
31 December 2021	**8,342**	**-**	**771**	**579**	**323**	**6,669**
31 December 2020	28,424	5,826	1,660	2,920	1,930	16,088

12 Term loans

	2021 AED'000	2020 AED'000
Term loan 1 (note 19)	**4,733**	4,733
Term loans 2	**19,017**	25,754
	23,750	30,487

Term loan 1: Mainland Management entered into a bridge loan agreement with Finance House PJSC, a related party, on 26 March 2007, amounting to AED 17 million. During 2014, the outstanding amount was converted into additional capital contribution to Mainland Management and subsequently an amount of AED 4.7 million was lent to Mainland Management. Interest is charged at 4% per annum (31 December 2020: 4% per annum). The payment term is on demand and not based on fixed installments. No movement incurred on the principal balance of the loan during the current year as well as the previous year and only interest accrued.

Term loans 2: During May 2018, the Group acquired two loans from "Arab Bank for Investment and Foreign Trade" (Al Masraf Bank). The interest rate for both loans is EIBOR + 3% per annum or 5% per annum whichever is higher. These loans are repayable over 32 quarterly instalments starting on 2 August 2018. In May 2020, these loans have been re-scheduled in which there were deferral of two quarterly instalments for both loans and the tenor increased from 8 years to be 8 years and 6 months. The interest continued to accrue during the period of deferral. The facility is secured by demand promissory note and corporate guarantee of the group covering the total outstanding facility amount and first-degree mortgage over the land and building of Mafraq Hotel. Management negotiated the pricing terms of the loan during the third quarter of 2021 and the new revised terms are 3.5% minimum floor p/a (down from 5% p/a). The reduced interest rate was applied from October 2021 and all other terms remained the same.

13 Other liabilities

	2021 AED'000	2020 AED'000
Trade payables	**2,232**	4,361
Staff payables	**6**	31
End of service benefits*	**1,135**	9,413
Accrued expenses	**2,234**	7,863
Lease liability	**-**	2,459
Bonus payable	**5,840**	-
Other payables	**935**	-
	12,382	24,127

* The movement on the end of service benefits during the year is as follows:

	2021 AED'000	2020 AED'000
Balance at the beginning of the year	**9,413**	13,241
Provision during the year*	**288**	1,542
Payments during the year	**(353)**	(5,370)
Impact of disposal of a subsidiary	**(8,213)**	-
Balance at end of the year	**1,135**	9,413

* Provision during the year 2020 included provision amounting to AED 1.3 million related to disposed subsidiary. This amount is presented under profit for the year from discontinued operations in the consolidated statement of profit or loss

14 Share capital

	2021 AED'000	2020 AED'000
Authorised, issued and fully paid		
377,500 thousand shares of AED 1 each (31 December 2020: 377,500 thousand shares of AED 1 each)	**377,500**	377,500

On 21 January 2020, the shareholders approved to reduce the paid-up share capital by AED 200 million.

15 Legal reserve

As required by the UAE Federal Law No. 2 of 2015 and the Articles of Association of the Company and its subsidiaries, 10% of the profit for the year, on an individual basis, must be transferred to legal reserve. The Company and its subsidiaries may resolve to discontinue such transfers when the reserve equals 50% of the share capital. The legal reserve is not available for distribution.

A transfer amounting to AED 3.06 million has been made to this reserve during the year (31 December 2020: no transfer to legal reserve was made as the Group incurred losses).

16 Optional reserve

In accordance with the Company's Articles of Association, 10% of the profit for the year shall be transferred to optional reserve. The Company and its subsidiaries may resolve to discontinue such transfers when the optional reserve equals 50% of the share capital.

On 21 January 2020, the shareholders approved a special resolution to distribute AED 50 million as special dividend which is distributed from the 'optional reserve'.

A transfer amounting to AED 3.06 million has been made to this reserve during the year (31 December 2020: no transfer to optional reserve was made as the Group incurred losses).

17 Non-controlling interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Portion of equity interest held by non-controlling interests

	2021	2020
Mainland Management LLC	**33%**	33%
Professional Realtors Company Ltd - a subsidiary of Falcon Investments LLC	**-**	20%

Accumulated balances of non-controlling interest

	2021 AED'000	2020 AED'000
Mainland Management LLC	**48,193**	49,489
Professional Realtors Company Ltd - a subsidiary of Falcon Investments LLC	**-**	2,524
	48,193	52,013

17 Non-controlling interests (continued)

Income allocated to material non-controlling interests

	2021	2020
	AED'000	AED'000
Mainland Management LLC	**(1,298)**	(266)
Enterprise Solutions Establishment - a subsidiary of Falcon Investments LLC	**1,007**	-
Professional Realtors Company Ltd - a subsidiary of Falcon Investments LLC	**-**	433
	(291)	167

The table below shows the summarised financial information of the subsidiary which have non-controlling interest:

Mainland Management LLC

	2021	2020
	AED'000	AED'000
Total assets	**182,567**	182,574
Total liabilities	**37,991**	34,106
Total equity	**144,576**	148,468
Loss for the year	**(3,892)**	(22)

The two subsidiaries of Falcon Investment LLC have been disposed of as at 31 December 2021 as part of the disposal of Falcon Investment LLC.

18 Commitments and contingent liabilities

	2021	2020
	AED'000	AED'000
Corporate guarantees	**20,517**	27,258
Bank guarantees	**10,096**	35,409
	30,613	62,667

19 Related party transactions

Related parties represent associates, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The year end balances in respect of related parties included in the consolidated statement of financial position are as follows:

	2021	2020
	AED'000	AED'000
Amounts due from related parties		
Associates	**800**	800
Funds under management	**186**	676
	986	1,476
Amounts due to related parties		
Others	**48**	102
	48	102
Loan obtained from Finance House - shareholder (note 12)	**4,733**	4,733

Significant transactions with related parties during the year were as follows:

	2021	2020
	AED'000	AED'000
Fees earned from related parties	**-**	423
Guarantees issued on behalf of the Company	**30,613**	62,667
Short term benefits of key management personnel (salaries, benefits and bonuses)	**6,982**	5,738
Interest expense on loan obtained from Finance House	**192**	192

20 Fiduciary activities

The Group held-under-trust the following assets:

	2021	2020
	AED'000	AED'000
Shares (at market value)	**298**	235
Bank balances	**1,132**	1,417

The above assets have not been reflected in these consolidated financial statements. Total liabilities amounting to AED 1.4 million (31 December 2020: AED 1.7 million) associated with the above assets have not been reflected in these consolidated financial statements.

21 Fee and service income

	2021	2020
	AED'000	AED'000
Revenue from hotel services	**23,845**	24,682
Merchant banking fees	**716**	210
Asset management fees	**-**	423
	24,561	25,315

a. Disaggregation of fee and service income

In the following table, fee and service income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services. The table also includes a reconciliation of the disaggregated fee and service income with the Group's reportable segments:

	2021	2020
	AED'000	AED'000
Major service lines		
Revenue from hotel services	**23,845**	24,682
Merchant banking fees	**716**	210
Asset management fees	**-**	423
Total fee and service income from contract with customers	**24,561**	25,315

b. Contract balances

As at 31 December 2021 and 31 December 2020, the Group did not have any contract assets or liabilities related to the services provided.

22 Net income from investments at fair value through profit or loss

	2021 AED'000	2020 AED'000
Realised loss on disposal, (net)	**(20)**	(508)
Unrealised revaluation loss, (net)	**-**	(58)
Interest income from Sukuk	**663**	895
	643	329

23 Interest income

	2021 AED'000	2020 AED'000
Time deposits	**494**	817
Call accounts	**2**	92
	496	909

24 General and administrative expenses

	2021 AED'000	2020 AED'000
Business development	**338**	698
Utilities	**2,214**	2,349
Professional fees	**1,066**	937
Board fees	**1,000**	-
IT and telecommunication	**306**	957
Rent expense	**908**	24
Insurance	**184**	300
Bank charges	**226**	254
Bonus	**5,710**	-
Others	**3,655**	2,721
	15,607	8,240

25 Staff costs

	2021 AED'000	2020 AED'000
Staff costs – corporate	**2,292**	7,973
Staff costs – subsidiaries	**2,743**	3,990
	5,035	11,963

26 Interest expense

	2021 AED'000	2020 AED'000
Term loans	**1,056**	1,331
Others	**362**	192
	1,418	1,523

27 Basic earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the year attributable to the Shareholders of the Parent Company by the number of shares outstanding during the year.

	2021	2020
Profit / (loss) for the year (AED'000)	**30,591**	(7,087)
Weighted average number of ordinary shares ('000)	**377,500**	377,500
Earnings per share (AED)	**0.081**	(0.019)

There were no potentially dilutive securities as at 31 December 2021 or 31 December 2020, and accordingly, diluted earnings per share are the same as basic earnings per share.

28 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision makers of the Group in order to allocate resources to the segment and to assess its performance. Information reported to the chief operating decision makers is based on three major segments as follows:

Asset Management- manages investment portfolios and funds in regional equities and offers regional and foreign investors' gateways for investment in the GCC and Arab stock markets.

Merchant Banking- provides corporate finance advisory, private placements, mergers and acquisitions.

Principal Investments- manages and controls all cash related to the Group, and all proprietary investments of the Group including investments in associates, joint ventures, investments at fair value through profit or loss and other comprehensive income and investment properties.

28 Segment Information (continued)

Management monitors the net operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The business segments information for the year ended 31 December 2021 and 31 December 2020 are as follows:

Business segments

	Asset Management AED'000	Merchant Banking AED'000	Principal Investments AED'000	Total AED'000
31 December 2021				
Operating income	**-**	**716**	**29,595**	**30,311**
Net segment results	**(2,321)**	**(1,763)**	**34,384**	**30,300**
Segment assets	**-**	**-**	**485,377**	**485,377**
Segment liabilities	**-**	**-**	**36,180**	**36,180**
31 December 2020				
Operating income	423	210	26,047	26,680
Net segment results	-	-	(6,920)	(6,920)
Segment assets	-	-	481,619	481,619
Segment liabilities	-	-	54,716	54,716

28 Segment Information (continued)

Geographical segments

	UAE AED'000	KSA AED'000	Others AED'000	Total AED'000
31 December 2021				
Operating income	**30,311**	**-**	**-**	**30,311**
Net segment results	**25,523**	**5,145**	**(368)**	**30,300**
Segment assets	**485,377**	**-**	**-**	**485,377**
Segment liabilities	**36,180**	**-**	**-**	**36,180**
31 December 2020				
Operating income	26,680	-	-	26,680
Net segment results	(8,917)	2,643	(646)	(6,920)
Segment assets	461,853	18,519	1,247	481,619
Segment liabilities	44,795	9,424	497	54,716

29 Risk management

Introduction

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to market risk which composes of interest rate risk, currency risk and equity price risk. Further, the Group is exposed to credit risk, liquidity risk and operational risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. 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 risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Board of Directors

The overall risk management responsibility lies with the Board of Directors of the Group. It provides the direction, strategy and oversight of all the activities through various committees.

Audit Committee

The Audit Committee comprises three members in which two members represent the Board of Directors of the Group and one member is independent from the Group. The Audit Committee has the overall responsibility of assessing the internal audit findings, directing implementation of audit recommendations and overseeing the internal audit activities undertaken within the internal control environment and regulatory compliance framework of the Group. Duties and responsibilities of the Audit Committee are governed by a formally approved Audit Committee Charter.

29 Risk management (continued)

Risk management framework (continued)

Management Committee
The Management Committee is responsible for identifying, measuring, monitoring and controlling the risks arising out of various activities in the Group.

Risk measurement and reporting systems
Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

For all levels throughout the Group, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

Market risk

Market risk is the risk that the fair value and future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant, of the Group's result for the year.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2021.

	Effect on profit AED'000
31 December 2021	
+100 increase in basis point	**276**
-100 decrease in basis point	**(276)**
31 December 2020	
+100 increase in basis point	167
-100 decrease in basis point	(167)

29 Risk management (continued)

Market risk (continued)

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk is limited since a significant proportion of the Group's transactions, monetary assets and liabilities are denominated in U.A.E. Dirhams and U.S. Dollars. As the U.A.E. Dirham is pegged to the U.S. Dollar, balances in U.S. Dollars are not considered to represent significant currency risk.

Equity price risk
Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

The following table estimates the sensitivity to a possible change in equity markets on the Group's consolidated statement of profit or loss. The sensitivity of the consolidated statement of profit or loss is the effect of the assumed change in the equity indices on the fair value of investments at fair value through profit or loss.

	Assumed level of Equity change %	**Impact on net income 31 December 2021 AED'000**	Impact on net income 31 December 2020 AED'000
Investments at fair value through profit or loss			
Abu Dhabi Securities Market Index	5%	**-**	-
Dubai Financial Market Index	5%	**-**	-
Other markets	5%	**500**	685

The effect on equity (as a result of a change in the fair value of equity instruments at fair value through other comprehensive income at 31 December 2021) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows.

	Assumed level of equity change %	**Impact on equity 31 December 2021 AED'000**	Impact on equity 31 December 2020 AED'000
Investments at fair value through other comprehensive income			
Dubai Financial Market Index	5%	**152**	228
Other markets	5%	**415**	347

29 Risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the creditworthiness of counter-parties.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position.

	2021	2020
	AED'000	AED'000
Bank balances and cash	**44,761**	52,640
Amounts due from related parties	**986**	1,476
Investment in Sukuk	**10,000**	13,690
Other assets	**59,822**	31,217
	115,569	99,023

Liquidity risk and funding management

Liquidity risk is the risk that an institution will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or a credit downgrade which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

Analysis of assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at 31 December 2021 based on contractual maturities.

	Less than 3 months AED'000	3 months to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Total AED'000
Assets					
Bank balances and cash	22,867	21,894	-	-	44,761
Amounts due from related parties	-	986	-	-	986
Investments, including associates	10,000	68,199	-	-	78,199
Other assets	52,204	1,734	-	-	53,938
	85,071	92,813	-	-	177,884
Non-financial assets	-	690	131,721	175,082	307,493
Total assets	85,071	93,503	131,721	175,082	485,377
Liabilities					
Term loans	1,020	3,121	19,609	-	23,750
Other liabilities	10,814	435	1,133	-	12,382
Amounts due to related parties	48	-	-	-	48
Total liabilities	11,882	3,556	20,742	-	36,180

29 Risk management (continued)

Liquidity risk and funding management (continued)

Analysis of assets and liabilities by remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group's financial assets and liabilities at 31 December 2020 based on contractual maturities.

	Less than 3 months AED'000	3 months to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Total AED'000
Assets					
Bank balances and cash	49,055	3,585	-	-	52,640
Amounts due from related parties	676	800	-	-	1,476
Investments, including associates	13,690	72,177	-	-	85,867
Other assets	15,130	5,753	-	-	20,883
Financial assets	78,551	82,315	-	-	160,866
Non-financial assets	-	3,420	132,394	184,939	320,753
Total assets	78,551	85,735	132,394	184,939	481,619
Liabilities					
Term loans	723	2,527	20,983	6,254	30,487
Other liabilities	14,683	31	9,413	-	24,127
Amounts due to related parties	102	-	-	-	102
Total liabilities	15,508	2,558	30,396	6,254	54,716

Operational risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, systems failure, human error, fraud or external events. When required controls fail, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. While the Group cannot expect to eliminate all operational risks, through a control framework and by continuous monitoring and responding to potential risks, the Group is able to manage these risks. Controls include effective segregation of duties, appropriate access, authorization and reconciliation procedures, staff training and robust assessment processes. The processes are reviewed on an ongoing basis.

Other price risk

The Group is exposed to price risk arising from its investment properties which are measured at fair value. The sensitivity analysis below shows the effect of price changes in investment properties:

A 5% increase in the fair value of investment properties as at the reporting date would have increased equity by AED 6.4 million (2020: AED 6.1 million). An equal change in the opposite direction would have decreased equity by AED 6.4 million (2020: AED 6.1 million).

Capital management

Capital includes equity attributable to the Owners of the Group. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021 and 31 December 2020.

30 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of investments at fair value through other comprehensive income, investments at fair value through profit or loss, amounts due from related parties, bank balances and cash and some other assets. Financial liabilities consist of term loans, amounts due to related parties and some other liabilities.

In the opinion of management, the estimated carrying values and fair values of financial assets and liabilities that are not carried at fair value in the consolidated financial statements are not materially different, since assets and liabilities are either short term in nature or are re-priced on a frequent basis.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy for the year ended 31 December 2021:

	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets				
At fair value through profit or loss				
Investments in Sukuk	**-**	**-**	**10,000**	**10,000**
	-	**-**	**10,000**	**10,000**
At fair value through other comprehensive income				
Listed equity securities	**3,044**	**-**	**-**	**3,044**
Investment in equity funds	**-**	**963**	**7,340**	**8,303**
	3,044	**963**	**7,340**	**11,347**

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy for the year ended 31 December 2020:

	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
Financial assets				
At fair value through profit or loss				
Investments in Sukuk	-	3,690	10,000	13,690
	-	3,690	10,000	13,690
At fair value through other comprehensive income				
Listed equity securities	4,566	-	-	4,566
Investment in equity funds	-	838	6,092	6,930
	4,566	838	6,092	11,496

30 Fair value of financial instruments (continued)

Transfers between categories

During the reporting year ended 31 December 2021 and 31 December 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Reconciliation of fair value measurements of Level 3 financial instruments

The Group carries unquoted equity securities as financial assets at fair value through other comprehensive income classified as Level 3 within the fair value hierarchy.

A reconciliation of the beginning and closing balances including movements is summarized below:

	2021	2020
	AED'000	AED'000
At the beginning of the year	**16,092**	17,707
Revaluation reverse during the year	**1,248**	(1,615)
	17,340	16,092

31 Loss of control over a subsidiary during the year

During the year, the Company disposed its holdings in Falcon Investment LLC and its subsidiaries, a wholly owned subsidiary of the Company, operating under the name "Colliers".

The Board of Directors approved this transaction during the year and the transaction was completed on 21 December 2021 for a total consideration of AED 50 million which was received fully in cash in January 2022. This transaction resulted in a realized gain amounting to AED 32 million which is included in the profit for the year from discontinued operations in the consolidated statement of profit or loss.

31 Loss of control over a subsidiary during the year (continued)

At the date of disposal, the carrying amounts of Falcon Investment LLC's net assets were as follows:

	AED'000
Property, fixtures and equipment	**3,161**
Right to use asset	**1,547**
Goodwill	**989**
Total non-current assets	**5,697**
Cash and bank balances	**18,533**
Trade and other receivables	**18,070**
Total current assets	**36,603**
Employees' end of service benefit	**10,236**
Lease liabilities	**704**
Total non-current liabilities	**10,940**
Current portion of lease liabilities	**1,119**
Trade and other payables	**11,457**
Amounts due to related parties	**-**
Total current liabilities	**12,576**
Non-controlling interest	**909**
Total net assets	**17,875**
Total sale consideration receivable (note 11)	**50,000**
Gain on disposal	**32,125**

32 Discontinued operations

During the year, the Group sold 100% of its share capital of Falcon Investment LLC and its subsidiaries. Falcon Investment LLC provides real estate leasing, consulting, and real estate valuation services and its registered head office is in Dubai. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

	2021 AED'000	2020 AED'000
Revenue	**58,268**	45,210
Direct costs	**(39,636)**	(32,554)
Gross profit	**18,632**	12,656
General and administrative expenses	**(10,437)**	(9,645)
Provision for expected credit loss	**(2,552)**	(20)
Interest income	**6**	39
Interest expense on lease liability	**(88)**	(128)
Finance cost	**(240)**	(196)
Other income	**2,711**	310
Profit for the year	**8,032**	3,016
Gain on disposal	**32,125**	-
Exchange differences on translation - reclassified to profit and loss	**(311)**	-
Profit for the year from discontinued operations	**39,846**	3,016

32 Discontinued operations (continued)

All the assets and liabilities have been disposed of in this transaction. The carrying amounts of assets and liabilities in this disposal group are summarized as follows:

	2021 AED'000	2020 AED'000
Property, fixtures and equipment	**3,161**	1,205
Right to use asset	**1,547**	2,329
Goodwill	**989**	989
Total non-current assets	**5,697**	4,523
Cash and bank balances	**18,533**	23,486
Trade and other receivables	**18,070**	15,478
Total current assets	**36,603**	38,964
Employees' end of service benefit	**10,236**	8,212
Lease liabilities	**704**	1,340
Total non-current liabilities	**10,940**	9,552
Current portion of lease liabilities	**1,119**	1,119
Trade and other payables	**11,457**	5,930
Amounts due to related parties	**-**	222
Total current liabilities	**12,576**	7,271

Cash flows generated by Falcon Investment LLC for the reporting periods presented until its disposal are as follows:

	2021 AED'000	2020 AED'000
Operating activities	**4,386**	9,074
Investing activities	**(3,223)**	(690)
Financing activities	**(2,459)**	(949)
Cash flows from discontinued operations	**(1,296)**	7,435

33 Comparative information

During the current financial year, certain balances of consolidated financial statements reported in the previous year have been reclassified to conform to the current year presentations; with the objective of improving the quality of information presented. The re-classifications did not have an impact on the previously reported profit for the year, total assets and total equity.

34 Subsequent events

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after 1 June 2023. This announcement has no impact on the consolidated financial statements of the Group for the year ended 31 December 2021. Management will assess the implications of this Federal Corporate Tax in due course.