Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital AED '000	Statutory reserve AED '000	Cash flow hedging reserve AED '000	Investment revaluation reserve AED '000	Retained earnings AED '000	Equity attributable to Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2019	7,862,630	3,931,315	70,547	34,729	12,163,947	24,063,168	172,662	24,235,830
Profit for the year	–	–	–	–	1,984,097	1,984,097	(58,918)	1,925,179
Other comprehensive loss for the year	–	–	(104,029)	(4,962)	–	(108,991)	–	(108,991)
Total comprehensive (loss)/ income for the year	–	–	(104,029)	(4,962)	1,984,097	1,875,106	(58,918)	1,816,188
Dividends paid for the year 2018 (note 35)	–	–	–	–	(1,100,768)	(1,100,768)	–	(1,100,768)
Reclassification of financial asset at FVTOCI upon derecognition (note 9)	–	–	–	(10,328)	10,328	–	–	–
Balance at 31 December 2019	7,862,630	3,931,315	(33,482)	19,439	13,057,604	24,837,506	113,744	24,951,250
Profit for the year	–	–	–	–	1,932,238	1,932,238	(10)	1,932,228
Other comprehensive income for the year	–	–	2,428	(1,297)	–	1,131	–	1,131
Total comprehensive income for the year	–	–	2,428	(1,297)	1,932,238	1,933,369	(10)	1,933,359
Dividends paid for the year 2019 (note 35)	–	–	–	–	(1,140,082)	(1,140,082)	–	(1,140,082)
Derecognition of non-controlling interests on loss of control of a subsidiary (note 46)	–	–	–	–	–	–	(42,842)	(42,842)
Balance at 31 December 2020	**7,862,630**	**3,931,315**	**(31,054)**	**18,142**	**13,849,760**	**25,630,793**	**70,892**	**25,701,685**

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 AED '000	2019 AED '000
Operating activities			
Profit for the year		**1,932,228**	1,925,179
Adjustments for:			
Depreciation and amortisation	5, 6	**274,791**	278,009
Finance income	30	**(67,240)**	(84,087)
Dividend income	9	**(1,400)**	(1,400)
Finance costs		**304,357**	349,719
Fair value loss on investment properties, net	7	**399,850**	374,751
Share of results of associates and joint ventures	8	**9,875**	3,096
Release of provisions for onerous contracts		**(8,258)**	(6,842)
Provisions/impairment (trade receivables and development work in progress)		**132,259**	77,581
Reversal of accruals, net		**(40,779)**	(36,357)
Impairment/(reversal) of impairment of property, plant and equipment, net		**1,396**	(29,186)
Gain on disposal of property, plant and equipment	5	**(54)**	(22,964)
Gain on disposal of investment properties	7	**(4,396)**	(23,856)
Gain on disposal of subsidiaries	46	**(429,535)**	–
Gain on disposal of businesses	5	**(58,432)**	–
Gain on exchange of properties, net of write-downs	33	**–**	(388,384)
Cumulative loss arising on hedging instruments of a joint venture reclassified to profit or loss upon derecognition	9	**–**	1,717
Provision for impairment of investment in associates and joint ventures	29	**70,991**	–
Provision for employee benefits	22	**55,081**	39,154
Operating cash flows before movements in working capital		**2,570,734**	2,456,130
Movement in working capital:			
Increase in trade and other receivables		**(405,587)**	(111,439)
Increase in development work in progress, inventories and land held for sale		**(187,937)**	(1,075,165)
Decrease/(increase) in contract assets		**1,019,160**	(891,323)
Increase in retentions payable		**14,657**	150,709
(Decrease)/increase in advances from customers		**(112,489)**	125,382
(Decrease)/increase in contract liabilities		**(260,228)**	469,247
(Decrease)/increase in trade and other payables		**(1,198,576)**	209,291
Cash generated from operations		**1,439,734**	1,332,832
Employee benefits paid	22	**(39,694)**	(29,539)
Net cash generated from operating activities		**1,400,040**	1,303,293

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

For the year ended 31 December 2020

	Notes	2020 AED '000	2019 AED '000
Cash flows from investing activities			
Purchases of property, plant and equipment	5	**(95,859)**	(127,518)
Purchases of intangible assets	6	**(14,095)**	(6,422)
Additions to investment properties	7	**(69,010)**	(113,278)
Acquisition of cash and cash equivalents	8,45	**798**	89,783
Proceeds from disposal of investment properties		**76,512**	295,215
Proceeds from disposal of property, plant and equipment		**–**	23,058
Proceeds from disposal of businesses	5	**100,325**	–
Acquisition of a subsidiary	45	**(11,333)**	–
Cash and cash equivalents derecognised on disposal of subsidiaries	46	**(63,776)**	–
Proceeds from disposal of financial assets at FVTOCI	9	**–**	30,799
Movement in term deposits with original maturity of greater than three months		**(409,869)**	586,456
Movement in restricted bank balances		**894,667**	(362,337)
Capital call contributions made against investment in financial assets at FVTOCI	9	**–**	(2,452)
Capital distributions received against investment in financial assets at FVTOCI	9	**–**	7,605
Finance income received		**91,889**	113,682
Dividends received	8,9	**4,900**	31,100
Net cash generated from investing activities		**505,149**	565,691
Cash flows from financing activities			
Payment of principal portion of lease liabilities		**(31,979)**	(29,795)
Cash paid due to the partial settlements of the derivative financial instruments (interest rate swap) used to hedge interest rate risk		**–**	(77,121)
Proceeds from bank borrowings and sukuk		**500,000**	2,329,149
Repayments of bank borrowings and sukuk		**(650,000)**	(1,742,500)
Finance costs paid		**(285,155)**	(351,153)
Dividends paid		**(1,141,682)**	(1,101,810)
Net cash used in financing activities		**(1,608,816)**	(973,230)
Net increase in cash and cash equivalents		**296,373**	895,754
Cash and cash equivalents at beginning of the year		**2,290,112**	1,394,358
Cash and cash equivalents at end of the year	15	**2,586,485**	2,290,112

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

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

For the year ended 31 December 2020

1 GENERAL INFORMATION

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

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

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

As of 31 December 2020, Mubadala Investment Company PJSC, through its wholly owned subsidiaries, has an indirect 37.33% ownership interest in the Company.

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

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

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

In the current year, the Group has applied the below amendments to IFRS standards and interpretations issued by the International Accounting Standard Board (IASB) that are effective for annual periods beginning on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements except as disclosed below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, 1AS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC32.

These amendments had no material impact on the consolidated financial statements of the Group.

Amendments to IFRS 3 Business Combinations relating to definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

These amendments had no impact on the consolidated financial statements of the Group but may impact future periods. The Group expects that the amendments will reduce the number of transactions that are accounted for as a business combination.