DUBAI PARKS & RESORTS

Dubai Parks and Resorts PJSC and its Subsidiaries

Interim condensed consolidated financial information and independent auditor's review report for the nine months period ended 30 September 2015

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Dubai Parks and Resorts PJSC and its Subsidiaries

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Report on Review of interim condensed consolidated financial information

Board of Directors
Dubai Parks and Resorts PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Dubai Parks and Resorts PJSC** (the "Company") **and its Subsidiaries** (collectively the "Group") as at 30 September 2015 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

Anis F. Sadek
Partner
Registration No. 521

10 November 2015

Condensed consolidated statement of financial position as at 30 September 2015

	Notes	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
ASSETS			
Property and equipment	6	**3,635,761**	1,994,295
Investment properties	7	**272,880**	199,596
Advances to contractors and other receivables	8	**460,608**	370,399
Other financial assets	9	**2,786,398**	4,150,000
Cash and cash equivalents	10	**482,426**	163,573
Total assets		**7,638,073**	6,877,863
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**6,321,828**	6,321,828
Equity issue reserve		**3,736**	3,736
Cash flow hedging reserve		**(7,340)**	-
Accumulated losses		**(96,554)**	(38,326)
Total equity		**6,221,670**	6,287,238
Liabilities			
Bank facilities	12	**390,858**	-
Trade and other payables	13	**969,029**	574,617
Derivative financial instruments	14	**7,340**	-
Due to a related party	15	**49,176**	16,008
Total liabilities		**1,416,403**	590,625
Total equity and liabilities		**7,638,073**	6,877,863

Abdulwahab Al Halabi
Vice Chairman

Raed Al Nuaimi
Chief Executive Officer

Fahad Kazim
Non-Executive Director

The accompanying notes form an integral part of these interim condensed consolidated financial information.

Condensed consolidated statement of comprehensive income for the nine months period ended 30 September 2015

	Notes	Three months period ended 30 September		Nine months period ended 30 September	
		2015	2014	**2015**	2014
		AED'000	AED'000	**AED'000**	AED'000
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
General and administrative expenses	16	**(30,061)**	(2,580)	**(70,614)**	(7,870)
Marketing and selling expenses		**(5,359)**	-	**(12,291)**	-
Interest income		**9,795**	-	**36,345**	-
Finance cost		**(4,020)**	-	**(11,668)**	-
Loss for the period		**(29,645)**	(2,580)	**(58,228)**	(7,870)
Other comprehensive income					
Cash flow hedge – fair value loss arising during the period		**(7,340)**	-	**(7,340)**	-
Total comprehensive loss for the period		**(36,985)**	(2,580)	**(65,568)**	(7,870)
Loss per share:					
Basic and diluted loss per share (AED)	17	**(0.005)**	(0.001)	**(0.010)**	(0.001)

The accompanying notes form an integral part of these interim condensed consolidated financial information.

Condensed consolidated statement of changes in equity for the nine months period ended 30 September 2015

	Share capital AED'000	Equity issue reserve AED'000	Cash flow hedging reserve AED'000	Accumulated losses AED'000	Total AED'000
As at 1 January 2014 (Audited)	600	-	-	(17,044)	(16,444)
Share capital elimination	(300)	-	-	-	(300)
Additional contribution by the Ultimate Parent Company during the period	-	880,674	-	-	880,674
Total comprehensive loss for the period	-	-	-	(7,870)	(7,870)
As at 30 September 2014 (Unaudited)	300	880,674	-	(24,914)	856,060
As at 1 January 2015 (Audited)	6,321,828	3,736	-	(38,326)	6,287,238
Loss for the period	-	-	-	(58,228)	(58,228)
Other comprehensive loss for the period	-	-	(7,340)	-	(7,340)
Total comprehensive loss for the period	-	-	(7,340)	(58,228)	(65,568)
As at 30 September 2015 (Unaudited)	**6,321,828**	**3,736**	**(7,340)**	**(96,554)**	**6,221,670**

Condensed consolidated statement of cash flows for the nine months period ended 30 September 2015

	30 September 2015 AED'000 (Unaudited)
Operating activities	
Loss for the period	**(58,228)**
Adjustments for:	
Depreciation expense	**2,242**
Finance cost	**11,668**
Interest income	**(36,345)**
Provision for employees' end-of-service indemnity	**1,786**
Operating cash flows before changes in operating assets and liabilities	**(78,877)**
Increase in advances to contractors and other receivables	**(283,231)**
Increase in trade and other payables	**392,625**
Net cash generated from operating activities	**30,517**
Cash flows from investing activities	
Decrease in other financial assets	**1,363,602**
Additions to property and equipment	**(1,642,557)**
Additions to investment properties	**(73,284)**
Interest received	**23,143**
Net cash used in investing activities	**(329,096)**
Cash flows from financing activities	
Increase in due to a related party	**32,017**
Proceeds from bank facilities	**585,415**
Net cash generated from a financing activities	**617,432**
Net increase in cash and cash equivalents	**318,853**
Cash and cash equivalents at the beginning of the period (Note 10)	**163,573**
Cash and cash equivalents at the end of the period (Note 10)	**482,426**

The Group did not hold any cash or cash equivalents during the period ended 30 September 2014 and consequently, there are no cash flows presented for the Group for the period ended 30 September 2014.

The accompanying notes form an integral part of these interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information for the nine months period ended 30 September 2015

1. Company and operations

Dubai Parks and Resorts PJSC (the "Company" or the "Parent Company") was originally formed as a limited liability company with commercial license number 673692 and was established on 11 July 2012. On 9 December 2014, approval from the Ministry of Economy was obtained and the Company was converted to a Public Joint Stock Company PJSC in accordance with U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended. The Company is a subsidiary of Meraas Holding LLC (the "Ultimate Parent Company").

The registered address of the Company is P.O. Box 123311, Dubai, United Arab Emirates ('UAE').

As at 30 September 2015, the licensed activities of the Parent Company and its subsidiaries (collectively the "Group") are investment in commercial enterprises and management, amusement parks, investment in and management of tourist enterprises and sport and recreational events, tickets e-trading, marketing management, facilities management services and event management.

As at 30 September 2015, the Company has not commenced its revenue generating activities and accordingly there is no operating revenue for the period.

The interim condensed consolidated financial information include the following subsidiaries:

Name of subsidiary	Place of incorporation	Date of incorporation	Percentage of ownership Legal	Beneficial	Activity
Motiongate LLC	Dubai, U.A.E.	18 March 2013	99%	100%	Theme park development
Mgate Operations LLC*	Dubai, U.A.E.	8 April 2013	100%	100%	Facilities management
Dubai Parks Destination Management LLC	Dubai, U.A.E.	25 August 2014	99%	100%	Theme park management
Bollywood Parks LLC	Dubai, U.A.E.	25 August 2014	99%	100%	Theme park development
Dubai Parks Hotel LLC	Dubai, U.A.E.	25 August 2014	99%	100%	Real estate development
River Park LLC	Dubai, U.A.E.	25 August 2014	99%	100%	Real estate development
LL Dubai Theme Park LLC	Dubai, U.A.E.	7 September 2014	99%	100%	Theme park development
LL Dubai Operations LLC**	Dubai, U.A.E.	14 October 2014	100%	100%	Facilities management
BWP Operations LLC***	Dubai, U.A.E.	25 March 2015	100%	100%	Facilities management
SF Dubai LLC	Dubai, U.A.E.	21 May 2015	99%	100%	Theme park development

* *Subsidiary of Motiongate LLC*
** *Subsidiary of LL Dubai Theme Park LLC*
*** *Subsidiary of Bollywood Parks LLC*

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the interim condensed consolidated financial information

The following revised IFRS, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these interim condensed consolidated financial information. The application of these revised and new IFRS has not had any material impact on the amounts reported for the current period and prior year but may affect for future transactions or arrangements.

New and revised IFRS	***Effective for annual periods beginning on or after***
• Amendments to IAS 19 *Employee Benefits* clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	1 July 2014

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	***Effective for annual periods beginning on or after***
• Finalised version of IFRS 9 (IFRS 9 *Financial Instruments* (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balance' that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.	1 January 2016

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRS	***Effective for annual periods beginning on or after***
• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all related contracts with customers.	1 January 2018
• Annual Improvements to IFRS 2012-2014 Cycle that include amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 *Financial Instruments: Disclosures* and IAS 19 *Employee Benefits*.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to clarify the acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IFRS 11 *Joint Arrangements* to clarify accounting for acquisitions of *Interests in Joint Operations*.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 *Consolidated and Separate Financial Statements* allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's interim condensed consolidated financial information for the period of initial application and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the interim condensed consolidated financial information of the Group in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's interim condensed consolidated financial information for the annual period beginning 1 January 2018. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's interim condensed consolidated financial information in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group has completed a detailed review.

3. Significant accounting policies

Statement of compliance

These interim condensed consolidated financial information is prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the IASB and also complies with the applicable requirements of the laws in UAE.

Basis of preparation

The interim condensed consolidated financial information has been prepared on the historical cost basis. The accounting policies adopted are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

The interim condensed consolidated financial information does not include all the information required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014.

In addition, results for the period from 1 January 2015 to 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015. The condensed consolidated statement of comprehensive income for the nine months period ended 30 September 2015 is not significantly affected by seasonality of results.

Basis of consolidation

The interim condensed consolidated financial information of the Company and its subsidiaries incorporate the financial information of the Company and the entities controlled by the Company (its subsidiaries) prepared up to 30 September 2015. Control is achieved when the Company:

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

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

3. Significant accounting policies (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment properties

Investment properties comprise of properties held to earn rentals or for capital appreciation, or both, (including investment properties under constructions/constructed for such purposes). Investment properties are measured initially at cost, including related transaction costs, less accumulated depreciation and any accumulated impairment losses in accordance with the cost model of IAS 16 *Property, plant and equipment.*

Expenditure incurred to replace a component of an item of investment properties 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 investment properties. All other expenditure is recognised in profit or loss as the expense is incurred.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by the ending of owner-occupation for a transfer from owner occupied property or commencement of an operating lease to another party for a transfer from inventories. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner-occupation for a transfer to owner occupied property or commencement of development with a view to sale for a transfer to inventories. Such transfers are made at the carrying value of the properties at the date of transfer.

Property and equipment

Property and equipment comprise of land, building, furniture and fixtures, vehicles, computer equipment and capital work-in-progress.

All items of property and equipment are initially recorded at cost. Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Borrowing costs that are directly attributable to acquisition, construction or production of an asset are included in the cost of that asset.

3. Significant accounting policies (continued)

Property and equipment (continued)

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. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation is charged so as to write-off the cost of property and equipment, other than capital work-in-progress, less their estimated residual value, on a straight-line basis over the expected useful lives of the assets, as follows:

	Years
Building	15
Furniture and fixtures	3 - 4
Vehicles	3 - 4
Computer equipment	3 - 4

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fully depreciated property and equipment are retained in the interim condensed consolidated financial information until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Capital work-in-progress

Capital work-in-progress includes properties that are being constructed or developed for future use. Cost includes pre-development infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised during the period when activities that are necessary to make the assets ready for their intended use are in progress. These properties are classified as capital work-in-progress until construction or development is completed.

Direct costs from the start of the project up to completion of the project are capitalised. No depreciation is charged on capital work-in-progress.

Derivative financial instruments

The Group deals with derivatives, primarily interest-rate swaps and forward exchange contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in condensed consolidated statement of comprehensive income immediately. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative.

3. Significant accounting policies (continued)

Hedge accounting

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

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in condensed consolidated statement of comprehensive income within other gains/ (losses).

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in condensed consolidated statement of comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in condensed consolidated statement of comprehensive income.

4. Critical accounting judgment and key sources of estimation uncertainty

The preparation of the Group's condensed consolidated financial information requires management to make judgment, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Critical judgment in applying the Group's accounting policies

In the process of applying the Group's accounting policies, Management has made the following critical accounting judgment that has the most significant effect on the amounts recognised in the interim condensed consolidated financial information:

Accounting for borrowing cost

Management has considered IAS 39 *Financial Instruments: Recognition and Measurement* in accounting for borrowing cost for the Group's bank facilities. The first drawn down occurred in the period ending 30 September 2015 and the arrangement fees are amortised over the period of the bank facility.

Key sources of estimation uncertainty

The key assumptions concerning the future and key sources of estimation uncertainty at the reporting period, that have significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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

Key sources of estimation uncertainty (continued)

Impairment of property and equipment and investment properties

The carrying values of the Group's property and equipment and investment properties are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Management judge the recoverable amount of an asset as the greater of its value in use and its fair value less cost to sell. To assess value in use, estimated future cash flows are discounted to their present value using an appropriate discount rate. The key assumptions and estimates used when calculating the net present value of future cash flows are: a) future cash flows; b) timing and quantum of future capital and maintenance expenditures; c) long term growth rates, and d) discount rates to reflect the risks involved. As at the reporting date, there is no indication of impairment.

Estimated useful lives of property and equipment and investment properties

The asset's residual values and useful lives are reviewed at the reporting date and adjusted if appropriate, taking into account technology developments. Uniform depreciation rates are established based on the straight-line method which may not represent the actual usage of the assets. As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

5. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. The Group currently determines and presents financial information as a single operating segment based on the information that is provided internally to corporate management for decision making.

Notes to the interim condensed consolidated financial information for the nine months period ended 30 September 2015 (continued)

6. Property and equipment

	Land AED'000	Building AED'000	Furniture and fixtures AED'000	Vehicles AED'000	Computer equipment AED'000	Capital work-in-progress AED'000	Total AED'000
Cost							
As at 1 January 2014 (Audited)	-	-	-	-	-	317,216	317,216
Additional cost incurred during the year	-	-	-	-	-	959,772	959,772
Contribution from the Ultimate Parent Company	716,443	-	-	-	-	-	716,443
Transfers from a related party (b)	-	-	-	321	972	-	1,293
As at 31 December 2014 (Audited)	716,443	-	-	321	972	1,276,988	1,994,724
Additional cost incurred during the period	-	-	741	2,309	1,490	1,638,017	1,642,557
Reclassification	-	13,900	5,209	-	745	(19,854)	-
Transfers from a related party (b)	-	-	-	-	1,151	-	1,151
As at 30 September 2015 (Unaudited)	716,443	13,900	5,950	2,630	4,358	2,895,151	3,638,432
Accumulated depreciation							
As at 1 January 2014 (Audited)	-	-	-	-	-	-	-
Charge for the year	-	-	-	113	316	-	429
As at 31 December 2014 (Audited)	-	-	-	113	316	-	429
Charge for the period	-	463	807	399	573	-	2,242
As at 30 September 2015 (Unaudited)	-	463	807	512	889	-	2,671
Carrying amount							
As at 30 September 2015 (Unaudited)	**716,443**	**13,437**	**5,143**	**2,118**	**3,469**	**2,895,151**	**3,635,761**
As at 31 December 2014 (Audited)	716,443	-	-	208	656	1,276,988	1,994,295

Notes to the interim condensed consolidated financial information for the nine months period ended 30 September 2015 (continued)

6. Property and equipment (continued)

a) Contracts for the acquisition and construction of property and equipment, which were previously entered into by related parties, are in the process of novation, which is expected to be completed by the end of 2015.

b) In 2015 and 2014, a related party transferred to the Group "Vehicles" and "Computer Equipment" [Note 15 (e)].

c) Borrowing cost capitalised during the period under capital work in progress is AED 7.1 million.

7. Investment properties

	Land AED'000	Capital work-in-progress AED'000	Total AED'000
Cost			
As at 1 January 2014 (Audited)	-	2,629	2,629
Additional cost incurred during the year	-	17,172	17,172
Contribution from the Ultimate Parent Company	179,795	-	179,795
As at 31 December 2014 (Audited)	179,795	19,801	199,596
Additional cost incurred during the period	-	73,284	73,284
As at 30 September 2015 (Unaudited)	**179,795**	**93,085**	**272,880**

Contracts for the acquisition and construction of investment properties, which were previously entered into by related parties, are in the process of novation, which is expected to be completed by the end of 2015.

8. Advances to contractors and other receivables

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Advances to contractors	**442,056**	220,208
Interest receivable	**14,677**	1,475
Prepayments and other receivables	**3,875**	148,716
	460,608	370,399

9. Other financial assets

Other financial assets include margin deposits amounting AED 76 million (2014: nil) held by banks under lien against credit facilities issued to the Group and fixed deposits amounting to AED 2.7 billion (2014: AED 4.2 billion) held by banks with maturity periods of more than three months from the date of placement. The fixed deposits earn interest rates ranging from 1% to 2% (2014: 1% to 2%) per annum.

10. Cash and cash equivalents

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Cash on hand	**85**	35
Bank balances:		
Call and current accounts	**482,341**	163,538
	482,426	163,573

Call accounts earn interest up to 1% (2014: 1%) per annum.

11. Share capital

Share capital comprises 6,321,827,708 authorised, issued and fully paid up shares of AED 1 per share. The Company is a subsidiary of the Ultimate Parent Company which owns 60% of the shares.

12. Bank facilities

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Term loan	**585,415**	-
Gross borrowing cost	**206,380**	-
Less: Amortised up to period/year end	**(11,823)**	-
Un-amortised borrowing cost	**194,557**	-
Carrying amount	**390,858**	-

Notes to the interim condensed consolidated financial information for the nine months period ended 30 September 2015 (continued)

12. Bank facilities (continued)

Term loan

a) As at 30 September 2015, the Group had arranged for bank facilities amounting to AED 4.2 billion (31 December 2014: AED 4.2 billion) in the form of term loans which were partially utilized as at 30 September 2015 to the amount of AED 585 million. The terms loans are for the purposes of development of projects with the facility maturing in 2026.

b) As at 30 September 2015, unamortised borrowing cost relating to this bank facility amounted to AED 195 million (31 December 2014: AED 148 million which prior to draw down were classified as part of "Advances to contractors and other receivables").

c) The syndicated facility is secured by a range of mortgages over property owned by the Group, security over bank accounts, assignments of certain contracts, certain rights to receivables and intra-group loans and pledges over shares in the Guarantors.

Letters of credit

d) As at 30 September 2015, the Group had arranged for letters of credit amounting to AED 449 million (31 December 2014: 368 million). Out of the total facility amount, AED 368 million (31 December 2014: AED 368 million) was entered into by a related party on behalf of the Group [Note 15(b)]. The letters of credit are secured by the following as applicable:

- Pledge over Wakala deposit; and
- Assignment of existing cash flows from a project of a related party.

e) As at 30 September 2015, AED 162 million (31 December 2014: AED 97 million) letters of credit are outstanding [Note 18(b)].

f) The letters of credit are subject to certain covenants. As at the reporting date, the Group was in compliance with the required covenants.

13. Trade and other payables

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Trade payables	**25,534**	5,025
Accrued expenses (a)	**830,576**	536,237
Retentions payable (b)	**104,266**	30,915
Provision for employees' end-of-service indemnity (c)	**4,226**	2,440
Other liabilities	**4,427**	-
	969,029	574,617

a) Included in accrued expenses are costs already incurred on capital work-in-progress amounting to AED 827 million (31 December 2014: AED 475 million) but have not yet been certified as at the reporting date.

13. Trade and other payables (continued)

b) Retentions payable represents amounts withheld in accordance with the terms of the contract when progress payments are made to the contractors. Retentions payable are settled based on contractual terms.

c) Provision for employees' end-of-service indemnity is made in accordance with the U.A.E. Labour Law, and is based on current remuneration and cumulative years of service as at the reporting date.

14. Derivative financial instruments

Statement of Derivatives as at 30 September 2015

	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000	Notional amount by term maturity 1 – 5 years AED'000
Interest rate swaps	-	7,340	422,131	422,131
	-	7,340	422,131	422,131

During the period, the Company entered into an interest rate swap for the loan draw down denominated in USD which were designated as a hedging instrument. As at 31 December 2014, no interest rate swaps entered by the Company.

15. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control, and key management personnel.

a) The management decides on the terms and conditions of the transactions and of services received from/rendered to related parties as well as on other charges.

b) Meraas Leisure and Entertainment LLC (the "Intermediate Parent Company") obtained an off-balance sheet trade finance facility for AED 368 million from a bank on behalf of the Group (guaranteed by the Ultimate Parent Company). The facility pertains to letters of credit to be issued in favour of the various suppliers in respect of the import of various products related to the theme park projects [Note 12(b)]. While the Group is responsible for all liabilities in relation to the facility, the covenants are at the Ultimate Parent Company level [Note 12(d)]. As at the reporting date, AED 85 million (2014: AED 97 million) of letters of credit are outstanding [Note 18(b)].

c) Due to a related party amounting to AED 49.1 million (31 December 2014: AED 16.0 million) represents amounts payable to the Ultimate Parent Company in respect of; i) payments to contractors and suppliers, and ii) transfer of assets to the Group [Note 15(e)].

Notes to the interim condensed consolidated financial information for the nine months period ended 30 September 2015 (continued)

15. Related party transactions (continued)

d) In 2014, the Ultimate Parent Company charged general and administrative expenses to the Group based on the Group's policy on related party transactions (Note 16).

e) In 2015 and 2014, a related party has transferred certain assets to the Group [Note 6(b)].

16. General and administrative expenses

	Three months period ended 30 September		**Nine months period ended 30 September**	
	2015	2014	**2015**	2014
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Salaries and other employee benefits	**20,666**	-	**48,419**	-
Professional and legal expenses	**6,035**	11	**8,511**	32
Recruitment expenses	**1,114**	-	**3,709**	-
Depreciation expense[Note 6]	**1,222**	-	**2,242**	-
Rent	**259**	-	**1,830**	-
Travel expenses	**123**	-	**1,427**	-
Supplies and communication expenses	**543**	-	**1,660**	-
Recharged expenses from a related party [Note 15(d)]	**-**	2,569	**-**	7,838
Other	**99**	-	**2,816**	-
	30,061	2,580	**70,614**	7,870

17. Basic and diluted loss per share

a) Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	Three months period ended 30 September		**Nine months period ended 30 September**	
	2015	2014	**2015**	2014
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss attributable to equity holders of the Company (in AED'000)	**(29,645)**	(2,580)	**(58,228)**	(7,870)
Number of shares in issue (in '000)*	**6,321,828**	6,321,828	**6,321,828**	6,321,828
Basic loss per share (in AED)	**(0.005)**	(0.001))	**(0.010)**	(0.001)

**The denominator for the purpose of calculating basic loss per share for the period ended 30 September 2014 has been adjusted to reflect the issuance of 6.3 billion shares in December 2014.*

Notes to the interim condensed consolidated financial information for the nine months period ended 30 September 2015 (continued)

17. Basic and diluted loss per share (continued)

b) Diluted earnings per share is calculated by adjusting the number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 30 September 2015, the Company did not have such dilutive ordinary shares.

18. Commitments and contingent liabilities

(a) *Commitments*

Contracted commitments for the acquisition of services related to the development and construction of assets classified under property and equipment and investment properties amounted to AED 4.1 billion as at 30 September 2015 (31 December 2014: AED 3.9 billion).

(b) *Contingent liabilities*

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Letters of credit under the name of a related party [Note 15(b)]	**85,226**	97,086
Letters of credit under the name of the Group	**76,396**	-
	161,622	97,086

19. Approval of interim condensed consolidated financial information

The interim condensed consolidated financial information were approved by the Board of Directors and signed for issuance on 10 November 2015.