EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)
FOR THE YEAR ENDED 31 DECEMBER 2016
TOGETHER WITH AUDIT REPORT

Emaar Misr for Development Company (S.A.E.)

Financial Statements
For the year ended 31 December 2016

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Translation of Auditor's report
Originally issued in Arabic

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)

Report on the financial statements

We have audited the accompanying financial statements of **EMAAR MISR FOR DEVELOPMENT COMPANY (S.A.E.)** represented in the financial position as of 31 December 2016 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

In our opinion, the financial statements referred to above, give a true and fair view in all material respects of the financial position of Emaar Misr For development (S.A.E) as of 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations .

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the Company's records.

The financial information included in the Board of Directors' Report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the books of the Company insofar as such information is recorded therein.

Amr El Sh[illegible]

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المتضامنون للمحاسبة والمراجعة

FESAA – FEST
(RAA. 9365)
(EFSAR :103)

Cairo: 27 February 2017

STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Notes	2016 EGP	2015 EGP
ASSETS			
Non-current assets			
Fixed assets	17	**481,673,322**	510,871,745
Fixed assets under construction	18	**142,897,443**	65,983,022
Investment properties	19	**84,592,422**	79,281,356
Held to maturity investments	13	**-**	867,835,636
Deferred tax assets	11	**143,345,677**	89,324,852
Total non-current assets		**852,508,864**	1,613,296,611
Current assets			
Development properties	16	**10,753,680,883**	9,876,750,208
Held to maturity investments	13	**3,506,460,195**	1,068,385,745
Accounts and notes receivables	14	**2,034,577,751**	1,380,891,635
Due from related parties	33a	**2,818**	2,818
Prepayments, other receivables and other debit balances	15	**2,086,660,354**	1,481,732,021
Cash on hand and at banks	12	**3,077,078,395**	2,092,569,704
Total current assets		**21,458,460,396**	15,900,332,131
TOTAL ASSETS		**22,310,969,260**	17,513,628,742
EQUITY AND LIABILITIES			
Equity			
Share capital	28	**4,529,338,000**	4,619,338,000
Legal reserve	29	**63,878,774**	21,145,120
Share premium	28	**1,350,286,168**	1,602,790,008
Treasury shares	28	**-**	(342,503,840)
Retained earnings /(accumulated deficit)		**796,455,634**	(15,483,796)
Profit for the year		**1,683,572,786**	854,673,084
Total equity		**8,423,531,362**	6,739,958,576
LIABILITIES			
Non-current liabilities			
Credit facilities	25	**33,948,029**	158,665,846
Land purchase liabilities	22	**-**	471,115,573
Provision for employees' end-of-service benefits	26	**20,115,209**	12,291,596
Total non-current liabilities		**54,063,238**	642,073,015
Current liabilities			
Provisions	27	**53,558,703**	50,521,690
Trade payables, accrued expenses and other credit balances	20	**3,398,587,675**	2,152,605,942
Due to related parties	33a	**78,203,943**	9,250,255
Income tax payable		**136,683,151**	14,728,532
Advances from customers	23	**9,382,546,247**	7,330,175,161
Retentions payable	24	**214,021,954**	189,258,360
Credit facilities	25	**27,114,390**	132,550,519
Borrowings from related parties	33b	**11,296,127**	4,842,083
Land purchase liabilities	22	**531,362,470**	247,664,609
Total current liabilities		**13,833,374,660**	10,131,597,151
TOTAL LIABILITIES		**13,887,437,898**	10,773,670,166
TOTAL LIABILITIES AND EQUITY		**22,310,969,260**	17,513,628,742

Board Director

Chairman

-The accompanying notes 1 to 35 form an integral part of these financial statements.
-Audit report attached

STATEMENT OF PROFIT OR LOSS

For The Year Ended 31 December 2016

	Notes	2016 EGP	2015 EGP
Revenue	4	**4,008,925,078**	3,237,263,142
Cost of revenue	5	**(2,406,672,071)**	(2,259,142,109)
GROSS PROFIT		**1,602,253,007**	978,121,033
Selling and marketing expenses	6	**(190,018,303)**	(187,412,592)
General and administrative expenses	7	**(210,865,409)**	(210,992,460)
Finance income	8	**581,218,325**	240,841,640
Finance cost	9	**(89,801,912)**	(6,747,281)
Other income	10	**115,268,368**	68,127,281
Provisions	27	**(4,007,501)**	(2,275,529)
Provisions no longer required	27	**626,500**	2,617,272
PROFIT FOR THE YEAR BEFORE INCOME TAX		**1,804,673,075**	882,279,364
Income taxes	11	**(121,100,289)**	(27,606,280)
PROFIT FOR THE YEAR		**1,683,572,786**	854,673,084
Earnings Per Share - basic and diluted	30	**0.34**	0.21

The accompanying notes 1 to 35 form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2016

	2016 EGP	2015 EGP
PROFIT FOR THE YEAR	**1,683,572,786**	854,673,084
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	**1,683,572,786**	854,673,084

The accompanying notes 1 to 35 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2016

	Share capital	*Share premium*	*Treasury Shares*	*Legal reserve*	*Retained Earnings/ (accumulated deficit)*	*Profit for the year*	*Total*
	EGP	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*
Balance at 1 January 2016	4,619,338,000	1,602,790,008	(342,503,840)	21,145,120	(15,483,796)	854,673,084	6,739,958,576
Transfer to accumulated deficit and legal reserve	-	-	-	42,733,654	811,939,430	(854,673,084)	-
Redemption of treasury stocks	(90,000,000)	(252.503,840)	342,503,840	-	-	-	-
Total comprehensive income	-	-	-	-	-	1,683,572,786	1,683,572,786
Balance at 31 December 2016	**4,529,338,000**	**1,350,286,168**	**-**	**63,878,774**	**796,455,634**	**1,683,572,786**	**8,423,531,362**

The accompanying notes 1 to 35 form an integral part of these financial statements.

Emaar Misr for Development Company (S.A.E)

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For The Year Ended 31 December 2016

	Share capital	*Amounts paid under capital increase*	*Share premium*	*Treasury stocks*	*Legal reserve*	*Retained Earnings/ (accumulated deficit)*	*Profit for the year*	*Total*
	EGP	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*
Balance at 1 January 2015	878,338,000	3,141,000,000	-	-	247,803	(412,532,806)	417,946,327	4,024,999,324
Transfer to accumulated deficit and legal reserve	-	-	-	-	20,897,317	397,049,010	(417,946,327)	-
Capital increase	3,141,000,000	(3,141,000,000)	-	-	-	-	-	-
Treasury stocks	-	-	-	(342,503,840)	-	-	-	(342,503,840)
Issuance of shares	600,000,000	-	1,602,790,008	-	-	-	-	2,202,790,008
Total comprehensive income	-	-	-	-	-	-	854,673,084	854,673,084
Balance at 31 December 2015	**4,619,338,000**	**-**	**1,602,790,008**	**(342,503,840)**	**21,145,120**	**(15,483,796)**	**854,673,084**	**6,739,958,576**

The accompanying notes 1 to 35 form an integral part of these financial statements.

Translation of financial statements
Originally issued in Arabic

STATEMENTS OF CASH FLOWS
For The Year Ended 31 December 2016

	Notes	2016 EGP	2015 EGP
Cash flows from operating activities			
Profit for the year before income taxes		**1,804,673,075**	882,279,364
Depreciation of fixed assets	17	**55,650,123**	60,974,722
Depreciation of investment properties	19	**3,768,614**	3,888,586
Provision for employees' end-of-service benefits	26	**9,331,951**	6,301,749
Provisions charged during the year	27	**4,007,501**	2,275,529
Provision no longer required	27	**(626,500)**	(2,617,272)
Gain on disposal of fixed assets	17	**(503,770)**	(650,251)
Reversal of impairment of development properties	16	**(4,773,355)**	(50,516,444)
Finance costs	9	**89,801,912**	6,747,281
Finance income	8	**(581,218,325)**	(240,841,640)
Cash from operations activities		**1,380,111,226**	667,841,624
Changes in accounts and notes receivables		**(653,686,116)**	(518,714,312)
Changes in prepayments, other receivables and other debit balances		**(571,020,853)**	(656,364,890)
Changes in development properties		**(805,815,805)**	107,080,475
Changes in advances from customers		**2,052,371,086**	1,596,352,632
Changes in trade payables, accrued expenses and other credit balances		**1,183,451,579**	704,819,494
Changes in due from related parties		**-**	10,308
Changes in due to related parties		**(5,215,888)**	3,737,096
Changes in retentions payable		**24,763,594**	(18,113,514)
Provisions used	27	**(343,988)**	(2,141,537)
Employees' end-of-service benefits paid	26	**(1,508,338)**	(2,862,841)
Income taxes paid		**(49,317,457)**	(5,878,266)
Net cash from operating activities		**2,553,789,040**	1,875,766,269
Cash flows from investing activities			
Finance income received		**595,898,732**	193,154,493
Payments to acquire fixed assets	17	**(26,085,334)**	(29,123,581)
Proceeds from sale of fixed assets	17	**631,645**	1,508,704
Payments to acquire investment properties	19	**(9,079,680)**	(290,000)
Payments for fixed assets under construction	18	**(77,408,662)**	(26,202,491)
Purchase of held to maturity investments		**(3,356,100,000)**	(1,936,221,381)
Proceeds from held to maturity investments		**1,736,250,000**	-
Net cash from investing activities		**(1,135,893,299)**	(1,797,174,256)
Cash flows from financing activities			
Proceeds from credit facilities	25	**18,578,691**	415,837,225
Repayment of credit facilities	25	**(248,732,637)**	(940,762,243)
Finance costs paid		**(29,730,933)**	(69,783,367)
Payment of issued shares expenses		**-**	(48,743,289)
Proceeds from Issuance of shares		**-**	2,280,000,000
Payment of treasury stocks		**-**	(342,503,840)
Proceeds from due to related parties		**55,022,871**	200,602
Payments of land purchase liabilities		**(244,826,785)**	(157,536,712)
Net cash from financing activities		**(449,688,793)**	1,136,708,376
Increase in cash and cash equivalents		**968,206,948**	1,215,300,389
Net foreign exchange differences		**16,301,743**	5,368,911
Cash and cash equivalent at the beginning of the year	12	**2,092,569,704**	871,900,404
Cash and cash equivalent at the end of the year	12	**3,077,078,395**	2,092,569,704

The accompanying notes 1 to 35 form an integral part of these financial statements.

1 BACKGROUND

Emaar Misr for Development Company (S.A.E.) (the "Company") is a joint stock company established in Egypt under the Investment Guarantees and Incentives Law No. 8 of 1997. The Company was registered in the commercial register on 16 March 2005 under No. 12841.

The listing of Emaar Misr for Development Company (S.A.E.) on the Egyptian stock exchange was approved in 4 March 2015 according to resolution of listing committee of Egyptian stock exchange.

The purpose of the Company is:

- Planning and construction of urban districts and providing them with utilities and services,
- Designing, constructing, managing, operating and maintenance of power plants with their different sources and distribution networks.
- Constructing, operating, managing and maintenance of water desalination and refining plants together with their distribution networks,
- Constructing, operating, managing and maintenance of sewage systems,
- Projects development, investment and real estate development,
- Owning, constructing, managing and touristic marketing for hotels, motels, lodges and tourism villages and its related supplementary activities in servicing, entertainment, sporting, commercial, and cultural,
- Establishing and operating yachts marina, golf courses and diving centres and its related supplementary activities,
- Finance leasing,

The Company is currently engaged in planning and construction of urban districts and providing them with utilities, services and projects development, investment and real estate development.

The Company's parent is Emaar Properties PJSC.

These financial statements as of 31 December 2016 were authorized for issuance in accordance with the resolution of the directors on 27 February 2017.

2.1 BASIS OF PREPARATION

The financial statements of the Company are prepared in accordance with Egyptian Accounting Standards ("EAS").

The financial statements have been prepared in Egyptian pounds (EGP), which is the Company's functional and presentation currency.

The financial statements have been prepared under the going concern assumption on a historical cost basis.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

The key judgements and estimates that have a significant impact on the financial statements of the Company are discussed below:

Judgments

Revenue recognition for real estate units

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of real estate units as set out in EAS 11 *Revenue*, and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the real estate units.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Judgments (continued)

Classification of properties
The Company determines whether a property is classified as investment property or development property:

Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These land and buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Development property comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Company develops and intends to sell before or on completion of construction.

Operating lease commitments – Company as lessor
The Company has entered into leases on its investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, finance lease criteria are not met and accounts for the contracts as operating leases.

Estimations

Estimation of net realisable value for development property
Development property is stated at the lower of cost or net realisable value (NRV).
NRV for completed property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions.

NRV in respect of development property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction.

Valuation of investment properties
The Company hires the services of third party professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the financial statements.

Impairment of trade and other receivables
An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Useful lives of fixed assets and investment properties
The Company's management determines the estimated useful lives of its fixed assets and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management yearically reviews estimated useful lives and the depreciation method to ensure that the method and year of depreciation are consistent with the expected pattern of economic benefits from these assets.

Cost to complete the projects
The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Estimations (continued)

Taxes
The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company established provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the conditions prevailing in Egypt.

Deferred tax assets are recognised for unused accumulated tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets
The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.
Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.
The specific recognition criteria described below must also be met before revenue is recognized.

Revenue of sale of completed development property
The Company recognises revenue of sale of property when the risks and rewards of ownership of the property have been transferred to the buyer which ocurrs when the units are delivered either actually or implied.

Rental income from lease of investment properties
Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in other income in the Statement of Profit or Loss.

Hospitality revenue
Revenue from hotel accommodation, food and beverages and other related services are recognised, net of discount and municipality fees, at the point at which the services are rendered.

Finance income
Finance income is recognised as it accrues using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the net carrying amount of the financial asset or liability.

Customers' charges
Income arising from providing utilities (water and electricity) to customers is recognised when rendered. Customer charges revenues are included in other income in the Statement of Profit or Loss.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing
Borrowings are initially recognized at the value of the consideration received. Amounts maturing within a year are classified as current liabilities, unless the Company has the right to postpone the settlement for a year exceeding one year after the financial position date, then the loan balance should be classified as long term liabilities.

After initial recognition, credit facilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the statement of profit or loss.

Borrowing cost
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale are capitalised as part of the cost of the assets. All other borrowing costs are expensed in the year in which they are incurred. The borrowings costs are represented in interest and other finance costs that company pay to obtain the funds.

Income tax
Income tax is calculated in accordance with the Egyptian tax law.

Current income tax
Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax
Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different year, directly in equity.

Development Properties
Properties acquired, constructed in the course of construction for sale are classified as development properties. Unsold and unproperties are stated at the lower of cost or net realisable value.

The cost of development properties includes the cost of land and other related expenditure which are capitalised when activities that are necessary to get the properties ready for sale are in progress. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Investment properties
Investment properties are land and buildings which are held to earn rental or for capital appreciation or both. Investecments properties are measured at cost including acquisition cost or construction cost or any other related direct cost.
After initial recognition Investment properties are measured at cost less accumulated depreciation and any accumulated impairment value depreciation is completed using the straight line method according to the estimated useful life of the assets 20 years .

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Held to maturity investments
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity.

This classification requires using high degree of professional judgment and to achieve that, the company evaluate its intention of keeping these investments till maturity date. If not, except in some rare circumstances such as selling of insignificant investements prior to maturity date then, all held to maturity investments re-classified to available for sale investments. Accordingly, Investments will be measured at fair value not amortised cost and cease any classification of investments.

Held to maturity investments are initially recognized at fair value inclusive direct attributable expenses.

After initial recognition, the held to maturity investments are measured at amortized cost using the effective interest method less impairment. Gains and losses are recognized in statement of profit or loss when the investments are derecognized or impaired, impairment is recovered, as well as through the amortization process

Fixed assets
Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management , and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings	20
Model homes and other assets	6
Machinery and equipment	4
Motor vehicles	4
Computers	2
Furniture, fixtures and office equipment	4
Banners	4
Heavy equipment	4-20
Tools	2

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each financial position date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.
The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Fixed assets under construction
Fixed assets under construction represent the amounts that are paid for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Fixed assets under construction are valued at cost net of impairment loss (if any) .

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

Impairment of financial assets

The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non financial assets

The Company assesses at each financial position date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Cash and cash equivalents

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

Trade payables and accrued expenses

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the suppliers and contractors or not.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Social insurance and Employees' End-of-services

a- Social Insurance: The Company makes contributions to the General Authority for Social Insurance calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

b- Employees' End-of-services: The Company provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service year. The costs of these benefits are accrued over the year of employment.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies
Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the financial position date. All differences are recognized in the statement of profit or loss.

Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.

Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

Contingent Liabilities and Assets
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Related party transactions
Related parties represent in parent company , associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the boards of directors.

Statement of cash flows
The statement of cash flows is prepared using the indirect method.

Expenses
All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss in the financial year in which these expenses were incurred.

Accounts receivable and other debit balances
Accounts receivable and other debit balances are stated at book less any impairment losses.

Impairment losses are measured as the difference between the receivables carrying amount and the present value of estimated future cash flows. The impairment loss is recognized in the statement of profit or loss. Reversal of impairment is recognized in the statement of profit or loss in the year in which it occurs.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (Continued)
For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted this year are consistent with those of the previous year except for the amendments required by the new Egyptian Accounting Standards issued during the year 2015 which is effective for the years starting on or after 1 January 2016, disclosed below the most prominent amendments which is applicable to the company and the effects of this new amendments on Financial statements, if any.

EAS (1) revised Presentation of Financial Statements:
The revised standard requires the company to disclose all items of income and expenses that were recognized during the year in two separate statements, statement of profit or loss (statement of income) which disclose all items of income and expenses and statement of Comprehensive income which starts with profit or loss and presents items of other Comprehensive income (Statement of Comprehensive income).
It also requires an additional statement to the Statement of Financial Position disclosing balances as of the beginning of the first presented comparative year in case of retrospective implementation or change in an accounting policy or reclassification carried out by the company. The amended standard does not require the presentation of working capital.
The company has prepared the Statement of Comprehensive income and presentation of financial statements according to revised standard and there is no retrospective adjustments that requires presenting Statement of Financial position which include beginning balances of the first presented comparative year.

EAS (10) revised Fixed Assets and depreciation:
The revised standard has eliminated the option of using the revaluation model in the subsequent measurement of fixed assets.
The strategic (major) spare parts and stand-by equipment can be classified as fixed assets when the entity expects to use them for more than one year (when the definition of fixed assets applies thereto).
There is no impact for this amendment on company's financial statements.

2.4 CHANGES IN ACCOUNTING POLICISE AND DISCLOSURES (continued)

EAS (14) revised Borrowing Costs:
The revised standard has eliminated previous benchmark treatment that recognised the borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset in the Statement of Profit or Loss. The revised standard requires capitalisation of this cost on qualifying assets.
There is no impact for this amendment on company's financial statements.

EAS (23) revised Intangible Assets:
The revised standard has eliminated the option of using the revaluation model in the subsequent measurement of intangible assets.
There is no impact for this amendment on company's financial statements.

EAS (34) revised Investment Property:
The revised standard has eliminated the option of using the fair value model in the measurement after recognition of the Investment Property. The standard requires to disclose fair value.
There is no impact for this amendment on company's financial statements.

EAS (38) revised Employee Benefits:
Defined benefit plans
The revised standard requires immediate recognition for accumulated actuarial gains and losses in statement comprehensive income. Also, recognition of past service cost as expense at earlier of:
A) When plan amended or curtailed or,
B) When entity execute substantial restructure for its activities, hence the entity recognise related restructuring costs which comprise paying end of service benefits.

New EAS (40) financial instruments "Disclosures":
A new EAS (40) Financial instruments: "Disclosures" has been issued to include all required disclosures for financial instruments. The company has disclosed required disclosures in the financial statements.

New EAS (41) Operating segments:
The EAS (33) Segment Reporting has superseded by EAS (41) Operating segment. Accordingly, segment reporting which should be disclosed and the required disclosures basically depends on the information about segment in the way that operating decision maker use. As described in note (3) the company currently has only one major operating segement.

New EAS (45) Fair Value Measurement:
The new EAS (45) Fair Value measurement has been issued; this standard is applied when other standard requires or permits to measure or disclose the fair value. This standard defines fair value and set the frame to measure fair value in one standard and determine the required disclosure for measurements of fair value. The company disclosed all required discourses according to standards.

3 SEGMENT INFORMATION

Currently the Company's main business segment is developing projects and selling the developed units. Revenues, profits and investments in other business segments are currently immaterial. Accordingly retail, commercial and hospitality business segments do not meet the criteria of reportable segments under EAS (41), and as such, are not separately disclosed in the financial statements. All revenues of the Company in the year ended 31 December 2016 were reported under one segment in the financial statements.

4 REVENUE

	2016 EGP	2015 EGP
Revenue from sale of development properties		
Marassi Project	**1,826,521,888**	1,582,792,265
Uptown Cairo Project	**876,586,540**	533,163,477
Mivida Project	**1,305,816,650**	1,121,307,400
	4,008,925,078	3,237,263,142

5 COST OF REVENUE

	2016 EGP	2015 EGP
Cost of revenue from sale of development properties		
Marassi Project	**962,567,458**	1,026,133,380
Uptown Cairo Project*	**614,968,961**	428,122,869
Mivida Project	**829,135,652**	804,885,860
	2,406,672,071	2,259,142,109

*The cost of revenue of Uptown Cairo Project includes the reversal of an impairment loss amounting to EGP 4,773,355 (31 December 2015: EGP 50,516,444).

6 SELLING AND MARKETING EXPENSES

	2016 EGP	2015 EGP
Advertisements	**50,061,948**	78,461,190
Depreciation of fixed assets (Note 17)	**4,869,598**	7,185,228
Marketing production and materials	**9,852,355**	5,974,390
Events and exhibitions	**13,754,054**	9,280,130
Sales commission	**98,888,633**	73,366,346
Other marketing expenses	**12,591,715**	13,145,308
	190,018,303	187,412,592

7 GENERAL AND ADMINSTRATIVE EXPENSES

	2016 EGP	2015 EGP
Depreciation of fixed assets (Note 17)	**46,338,627**	46,942,612
Depreciation of investment property (Note 19)	**3,768,614**	3,609,302
Salaries and benefits	**65,025,890**	80,814,905
Professional fees	**7,812,538**	6,038,611
IT expenses	**11,177,239**	8,491,323
Travel and entertainment	**7,966,432**	8,244,405
Communication	**2,245,138**	2,431,887
Facility management expenses	**39,860,390**	38,720,220
Other bank charges	**2,517,082**	2,007,313
Other expenses	**24,153,459**	13,691,882
	210,865,409	210,992,460

8 FINANCE INCOME

	2016 EGP	2015 EGP
Interest from time deposits and bank current accounts	263,609,516	127,824,530
Interest from held to maturity investments	317,608,809	101,264,146
Net foreign exchange gain	-	11,752,964
	581,218,325	240,841,640

9 FINANCE COST

	2016 EGP	2015 EGP
Interest on bank credit facilities and loans	6,120,743	6,688,350
Bank charges – letters of guarantees related to borrowings	-	9,467
Other bank charges	37,897	49,464
Net foreign exchange loss	83,643,272	-
	89,801,912	6,747,281

10 OTHER INCOME

	2016 EGP	2015 EGP
Customers service charges	101,054,582	54,982,020
Hospitality net profit or (loss)*	(798,474)	2,999,963
Operating lease income	8,470,605	7,673,396
Gain from sale of fixed assets (Note17)	503,770	650,251
Other operating income	6,037,885	1,821,651
	115,268,368	68,127,281

* Hospitality net profit or loss represents the net results of operations from El Alamain hotel, Golf club, Beach club in Marassi and Golf club in Uptown Cairo and Community club in Mivida.

11 INCOME TAX

	2016 EGP	2015 EGP
Statement of Profit or Loss		
Current income tax	(175,121,114)	(20,606,798)
Deferred income tax	54,020,825	(6,999,482)
	(121,100,289)	(27,606,280)

Deferred income tax

	Statement of financial position		Statement of Profit or Loss	
	2016 EGP	2015 EGP	2016 EGP	2015 EGP
Depreciation of fixed assets	(8,543,911)	(7,222,497)	(1,321,414)	1,384,828
Provisions and accruals	151,889,588	96,547,349	55,342,239	(8,384,310)
Net deferred income tax assets	143,345,677	89,324,852	54,020,825	(6,999,482)

11 INCOME TAX (continued)

The Company's tax position is as follows:

1. Corporate Tax

- The company regularly files its corporate income tax return on due dates.
- The company's records were inspected from inception to 31 December 2008. The tax dues have been settled and finalized at the internal committee.
- The company's records were inspected for year from 1 January 2009 to 31 December 2010, and the company has submitted an objection to the inspection result and the dispute points have been transferred to the internal committee.
- The company's records were not inspected for the year from 1 January 2011 to 31 December 2016. The company submitted tax returns for such years within the legal grace year.
- The company enjoys tax relief on the projects established in the urban area to 31 December 2018.

2. Salary Tax

- The company's records were inspected from inception to 31 December 2008 and all tax dues were settled.
- The company's records were inspected for years from 1 January 2009 to 31 December 2010 and all tax dues were settled.
- The company's records were not inspected from 1 January 2011 to 31 December 2016.

3. Sales Tax

- The company's records were inspected from inception to 31 December 2013, all tax dues were settled.
- The company's records were not inspected for the year from 1 January 2014 to 31 December 2016.

4. Stamp Tax

- The company's records were inspected from inception to 31 December 2010 and tax due were settled.
- The company's records were not inspected for the year from 1 January 2011 to 31 December 2016.

12 CASH ON HAND AND AT BANKS

	2016 EGP	2015 EGP
a) Egyptian pound		
Cash on hand	**16,340,534**	2,354,927
Current accounts	**313,989,729**	356,756,845
Time deposits (maturity within 3 months)	**2,723,894,881**	1,687,900,000
	3,054,225,144	2,047,011,772
b) Foreign currency		
Current accounts	**22,853,251**	45,557,932
	22,853,251	45,557,932
	3,077,078,395	2,092,569,704

Bank balances and cash are denominated in the following currencies:

	2016 EGP	2015 EGP
United Arab Emirates Dirham (AED)	**1,563,148**	707,454
United States Dollar (USD)	**16,204,338**	42,389,730
Euro (EUR)	**5,004,674**	2,425,953
Egyptian Pound (EGP)	**3,054,225,144**	2,047,011,772
Saudi Riyals (SAR)	**81,091**	34,795
	3,077,078,395	2,092,569,704

Cash at banks earn interest based on prevailing bank deposit rates. Short-term fixed deposits are made for varying years between one day and three months, depending on the immediate cash requirements of the company.

Current account with an average effective interest rate of 10.3% (2015:7%).Time deposits with an average effective interest rate of 14.62% (2015: 9.2%). The cash and cash equivalent is equal to bank balances and cash.

13 HELD TO MATURITY INVESTMENTS

	2016 EGP	2015 EGP
Treasury Bills	**2,753,100,000**	400,000,000
Unearned interest	**(111,052,323)**	(19,338,363)
	2,642,047,677	380,661,637
Bonds	**864,412,518**	1,555,559,744
	864,412,518	1,555,559,744
Total held to maturity investments	**3,506,460,195**	1,936,221,381

	2016 EGP	2015 EGP
Amounts matures within 12 months	**3,506,460,195**	1,068,385,745
Amounts matures after 12 months	**-**	867,835,636
	3,506,460,195	1,936,221,381

14 ACCOUNTS AND NOTES RECEIVABLE

	2016 EGP	2015 EGP
Amounts receivable within 12 months	**897,213,524**	552,838,923
Amounts receivable after 12 months	**1,578,181,923**	1,203,127,810
	2,475,395,447	1,755,966,733
Unamortised discount	**(446,259,567)**	(380,482,992)
Amounts receivable, net	**2,029,135,880**	1,375,483,741
Accounts receivables, hotels	**5,441,871**	5,407,894
	2,034,577,751	1,380,891,635

At 31 December 2016 and 2015, the ageing analysis of net accounts and notes receivables is as follows:

			Past due but not impaired			
	Total EGP	*Neither Past Due nor Impaired EGP*	*Less than 30 days EGP*	*Between 30 to 60 days EGP*	*Between 60 to 90 days EGP*	*More than 90 days EGP*
2016	**2,034,577,751**	**1,951,431,456**	**10,422,049**	**9,060,645**	**480,178**	**63,183,424**
2015	1,380,891,635	1,315,748,125	8,132,027	8,472,259	679,331	47,859,893

As at 31 December 2016, accounts and notes receivables were not impaired (impairment of 2015: nil)

Refer to Note 34a on credit risks of trade receivables, which discusses how the company manages and measures credit quality of trade receivables that are past due not impaired.

15 PREPAYMENTS, OTHER RECEIVABLES AND OTHER DEBIT BALANCES

	2016 EGP	2015 EGP
Prepayments	6,834,604	9,293,030
Advances to contractors and suppliers	873,198,995	772,725,895
Advances to employees	2,939,496	1,516,099
Accrued interest	86,832,621	52,925,141
Customers maintenance – Current accounts*	96,909,802	34,288,629
Customers maintenance – Time deposits*	876,465,354	517,160,435
Other receivables	143,479,482	93,822,792
	2,086,660,354	1,481,732,021

*These amounts represents amounts collected from customers, which are invested in interest bearing current accounts and time deposits , the interest income generated is used for the purpose of financing the facility management expenses for delivered units, the company cannot use these amounts except for this purpose.

Customers' maintenance - Current account with an average effective interest rate of 9.8% (2015: 6.75%) for balance of EGP 96,909,802 (2015: EGP 34,288,629)

Customers' maintenance - Time deposits with effective interest rate of 11.49% (2015: 9.2%) for balance of EGP 876,465,354 (2015: EGP 517,160,435).

	2016 EGP	2015 EGP
Amounts recoverable within 12 months	1,526,830,634	846,042,809
Amounts recoverable after 12 months	559,829,720	635,689,212
	2,086,660,354	1,481,732,021

16 DEVELOPMENT PROPERTIES

	2016 EGP	2015 EGP
Balance at the beginning of the year	9,876,750,208	9,809,475,476
Add: cost incurred during the year	3,001,183,679	1,948,183,074
Add: borrowing costs capitalised during the year	15,758,180	55,938,796
Add: land discounting capitalised	57,409,073	77,563,953
Add: depreciation of fixed assets (capitalised portion) (Note 17)	775,501	775,501
Less: transfer to fixed assets	-	(6,078,229)
Less: charged to profit or loss during the year	(6,825,738)	-
Less: transfers to cost of revenue during the year	(2,196,143,375)	(2,059,624,807)
Add: Reversal of impairment of development properties (Note 5)	4,773,355	50,516,444
Balance at the end of the year	10,753,680,883	9,876,750,208

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and include the costs of:

- Land;
- Amounts paid to contractors for construction including the cost of construction of infrastructure; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, construction overheads and other related costs.

Common infrastructure costs are allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development plan of some of the development properties is estimated to be over 10 years.

16 DEVELOPMENT PROPERTIES (continued)

Development properties are analysed as follows:

	2016 EGP	2015 EGP
Mivida project	3,625,540,986	3,101,414,280
Marassi project	3,589,402,051	3,508,791,163
Uptown Cairo project	3,318,863,412	3,044,617,948
Cairo Gate project	221,162,089	225,162,089
Smart Village project	-	2,825,738
	10,754,968,538	9,882,811,218
Less: Impairment of development properties	(1,287,655)	(6,061,010)
	10,753,680,883	9,876,750,208

	2016 EGP	2015 EGP
Land (including interest on land purchase liability incurred)*	2,911,304,513	3,053,949,047
Consultations and designs	1,815,695,530	1,590,764,460
Construction and infrastructure works	4,959,830,939	4,118,396,072
Capitalized finance costs	1,068,137,556	1,119,701,639
	10,754,968,538	9,882,811,218
Less: Impairment of development properties	(1,287,655)	(6,061,010)
	10,753,680,883	9,876,750,208

* The Company is in process of completing the required legal procedures related to official registration of all land owned as of 31 December 2016.

The movement of impairment of development properties as follows:

	2016 EGP	2015 EGP
Beginning balance	6,061,010	56,577,454
Reversed during the year	(4,773,355)	(50,516,444)
Ending balance	1,287,655	6,061,010

17 FIXED ASSETS

	Land	*Buildings*	*Computers*	*Heavy equipment*	*Motor Vehicles*	*office equipment, furniture and fixtures*	*Model homes, Sales centre, Mock-up*	*Equipment and tools*	*Banners and other assets*	*Total*
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost										
As of 1 January 2016	28,781,986	459,155,038	30,956,664	115,537,971	34,969,722	47,750,543	72,597,955	30,312,575	9,851,868	829,914,322
Additions	-	2,798,837	7,187,721	4,287,150	3,689,502	2,953,012	2,980,701	2,188,411	-	26,085,334
Transferred from fixed assets under construction	-	-	494,241	-	-	-	-	-	-	494,241
Disposals	-	-	-	-	(977,550)	-	-	-	-	(977,550)
As of 31 December 2016	28,781,986	461,953,875	38,638,626	119,825,121	37,681,674	50,703,555	75,578,656	32,500,986	9,851,868	855,516,347
Accumulated depreciation										
As of 1 January 2016	-	(115,768,028)	(25,050,807)	(26,856,966)	(25,458,641)	(35,906,023)	(58,898,225)	(21,252,019)	(9,851,868)	(319,042,577)
Depreciation	-	(23,708,437)	(5,763,171)	(7,987,925)	(4,471,420)	(4,732,863)	(4,881,677)	(4,104,630)	-	(55,650,123)
Disposals	-	-	-	-	849,675	-	-	-	-	849,675
As of 31 December 2016	-	(139,476,465)	(30,813,978)	(34,844,891)	(29,080,386)	(40,638,886)	(63,779,902)	(25,356,649)	(9,851,868)	(373,843,025)
Net carrying amount : At 31 December 2016	28,781,986	322,477,410	7,824,648	84,980,230	8,601,288	10,064,669	11,798,754	7,144,337	-	481,673,322

- There is no mortgage or restriction on fixed assets.
- Depreciation expense is allocated as follows:

	2016 EGP
Selling and marketing expenses (Note 6)	4,869,598
General and administrative expenses (Note 7)	46,338,627
Facility Management expenses	3,666,397
Depreciation expense charged to the statement of profit or loss	54,874,622
Development properties (Note 16)	775,501
Total depreciation expenses	55,650,123

- Gain from sale of fixed assets as follows:

	EGP	*EGP*
Proceeds from sale of fixed assets		631,645
Cost of disposed assets	977,550	
Accumulated depreciation of disposed assets	(849,675)	
Net book value of disposed assets		127,875
Gain from sale of fixed assets (Note 10)		503,770

17 FIXED ASSETS (continued)

	Land	*Buildings*	*Computers*	*Heavy equipment*	*Motor Vehicles*	*Office equipment, Furniture and fixtures*	*Model homes, Sales centre, Mock-up*	*Equipment and tools*	*Banners and other assets*	*Total*
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost										
As of 1 January 2015	28,141,156	445,642,749	25,709,717	112,731,314	30,726,902	39,419,318	72,451,041	25,743,493	9,851,868	790,417,558
Additions	-	2,122,795	5,246,947	2,806,657	4,462,820	8,589,189	1,326,091	4,569,082	-	29,123,581
Transferred from Development properties	640,830	5,437,399	-	-	-	-	-	-	-	6,078,229
Transferred from fixed assets under construction	-	5,952,095	-	-	-	-	-	-	-	5,952,095
Disposals	-	-	-	-	(220,000)	(257,964)	(1,179,177)	-	-	(1,657,141)
As of 31 December 2015	28,781,986	459,155,038	30,956,664	115,537,971	34,969,722	47,750,543	72,597,955	30,312,575	9,851,868	829,914,322
Accumulated depreciation										
As of 1 January 2015	-	(92,620,656)	(19,998,668)	(17,386,159)	(18,467,436)	(31,624,898)	(52,132,192)	(16,784,666)	(9,851,868)	(258,866,543)
Depreciation	-	(23,147,372)	(5,052,139)	(9,470,807)	(7,211,205)	(4,428,879)	(7,196,967)	(4,467,353)	-	(60,974,722)
Disposals		-	-	-	220,000	147,754	430,934	-	-	798,688
As of 31 December 2015	-	(115,768,028)	(25,050,807)	(26,856,966)	(25,458,641)	(35,906,023)	(58,898,225)	(21,252,019)	(9,851,868)	(319,042,577)
Net carrying amount :										
At 31 December 2015	**28,781,986**	**343,387,010**	**5,905,857**	**88,681,005**	**9,511,081**	**11,844,520**	**13,699,730**	**9,060,556**	**-**	**510,871,745**

- There is no mortgage or restriction on fixed assets.
- Depreciation expense is allocated as follows:

	2015
	EGP
Selling and marketing expenses (Note 6)	7,185,228
General and administrative expenses (Note 7)	46,942,612
Facility management expenses	6,071,381
Depreciation expense charged to the statement of profit or loss	60,199,221
Development properties (Note 16)	775,501
Total depreciation expenses	60,974,722

- Gain from sale of fixed assets as follows:

	EGP	*EGP*
Proceeds from sale of fixed assets		1,508,704
Cost of disposed assets	1,657,141	
Accumulated depreciation of disposed assets	(798,688)	
Net book value of disposed assets		858,453
		650,251

18 FIXED ASSETS UNDER CONSTRUCTION

	2016 EGP	2015 EGP
Marassi project (buildings, furniture and fixtures)	**70,573,561**	34,391,433
Uptown Cairo project (buildings, furniture and fixtures)	**3,805,579**	2,230,820
MIVIDA Cairo project (buildings, furniture and fixtures)	**68,518,303**	29,360,769
	142,897,443	65,983,022

The movement of fixed assets under construction during year ended 31 December is as follows:

	2016 EGP	2015 EGP
Beginning balance	**65,983,022**	45,732,626
Additions during the year	**77,408,662**	26,202,491
Transferred to fixed assets	**(494,241)**	(5,952,095)
Ending balance	**142,897,443**	65,983,022

19 INVESTMENT PROPERTIES

	2016 EGP	2015 EGP
Cost		
Beginning balance	**85,055,189**	87,030,973
Additions	**9,079,680**	290,000
Disposals	**-**	(2,265,784)
Ending balance	**94,134,869**	85,055,189
Accumulated depreciation		
Beginning balance	**(5,773,833)**	(2,164,531)
Depreciation charged for the year	**(3,768,614)**	(3,888,586)
Disposals	**-**	279,284
Ending balance	**(9,542,447)**	(5,773,833)
Net carrying amount	**84,592,422**	79,281,356

	2016 EGP	2015 EGP
Land	**11,881,336**	11,881,336
Building	**72,711,086**	67,400,020
Net carrying amount	**84 592 422**	79,281,356

The valuation of the company's investment properties was performed by Arab Group for Appraisals & Consultancy (independent valuer).
The fair value of investment properties is EGP 206,810,588 as of 31 December 2016 (2015; EGP 185,383,373) .

The buildings and land are valued using market approach by an independent valuer. The market was researched and a minimum of three recent sales of properties were selected that were considered to be most comparable to the subject property. Adjustment was made when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favourable than, the subject property a negative adjustment was made to reduce the sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favourable than the subject properly, a positive adjustment was made to increase the adjusted sales price of the comparable.

19 INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of its investment properties by valuation technique:

	Total *EGP*	*Level 1* *EGP*	*Level 2* *EGP*	*Level 3* *EGP*
31 December 2016*	**206,810,588**	-	-	**206,810,588**
31 December 2015	185,383,373	-	-	185,383,373

20 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2016 **EGP**	2015 EGP
Projects contracts cost accruals	**1,904,176,968**	1,246,039,965
Trade payables (suppliers, contractors and consultants)	**344,436,556**	208,178,308
Taxes payables (other than income tax) (Note 21)	**16,665,927**	8,901,673
Accrued expenses	**129,258,409**	131,657,689
Deferred revenue*	**27,355,364**	4,095,464
Social insurance authority	**3,023,583**	2,469,202
Other payables	**6,628,606**	4,326,050
Customers maintenance payable**	**967,042,262**	546,937,591
	3,398,587,675	2,152,605,942

*Deferred revenue represents amounts deducted from customers who cancelled their contracts. Customers can use these amounts to buy new units from the company during one year. If these amounts are not used by customers, the company has the right to keep these amounts and thus transfer to revenue.

**Customers maintenance payable represents the collected instalments in respect of delivered units that are used to finance facility management expenses. These amounts are invested in deposits and interest-bearing current accounts for this purpose (Note 15).

Trade payables, accrued expenses and other credit balances are non-interest bearing and for explanations on the company's liquidity risk management process, refer to (Note 34c).

21 TAXES PAYABLES

	2016 **EGP**	2015 EGP
Tax authority- stamp tax	**1,064,404**	1,053,835
Tax authority- withholding tax	**5,493,184**	5,632,514
Tax authority- salary tax	**8,032,278**	1,783,233
Tax authority- sales tax	-	60,859
Tax authority- value added tax	**1,369,105**	-
Tax authority- other tax	**706,956**	341,408
Tax authority- royalty tax	-	29,824
	16,665,927	8,901,673

22 LAND PURCHASE LIABILITIES

	2016 EGP	2015 EGP
Gross land purchase liabilities		
Cairo Gate project	13,000,000	13,000,000
Urban Community Authority – Mivida project	542,348,594	787,175,378
	555,348,594	800,175,378
Unamortised discount	(23,986,124)	(81,395,196)
Present value of land purchase liabilities	531,362,470	718,780,182

The present value of land purchase liabilities are as follows:

	2016 EGP	2015 EGP
Current portion	531,362,470	247,664,609
Non current portion	-	471,115,573
	531,362,470	718,780,182

The effective interest rate used to discount land purchase liabilities is 10% (2015: 10%). The amortisation of the discount amounted to EGP 23,986,124 (2015: EGP 81,395,196) is charged to development properties.

23 ADVANCES FROM CUSTOMERS

The movement of advances from customers as of 31 December 2016 and 2015 is as follows:

	2016 EGP	2015 EGP
Balance at the beginning of the year	7,330,175,161	5,733,822,529
Add: amounts collected during the year	6,127,072,738	4,945,426,170
Less: delivered units during the year	(4,074,701,652)	(3,349,073,538)
Balance at the end of the year	9,382,546,247	7,330,175,161

	2016 EGP	2015 EGP
Uptown Cairo project	2,028,110,475	1,634,132,428
Marassi project	2,855,840,525	2,211,666,098
Mivida project	4,498,595,247	3,484,376,635
	9,382,546,247	7,330,175,161

24 RETENTIONS PAYABLE

	2016 EGP	2015 EGP
Retentions payable within 12 months	84,741,527	106,987,647
Retentions payable after 12 months	129,280,427	82,270,713
	214,021,954	189,258,360

25 CREDIT FACILITIES

The movement of credit facilities as of 31 December 2016 and 2015 is as follows:

	2016 EGP	2015 EGP
Balance at the beginning of the year	**291,216,365**	816,141,383
Borrowings drawn down during the year	**18,578,691**	415,837,225
Borrowings repaid during the year	**(248,732,637)**	(940,762,243)
Balance at the end of the year	**61,062,419**	291,216,365

	2016 EGP	2015 EGP
Maturing within 12 months	**27,114,390**	132,550,519
Maturing after 12 months	**33,948,029**	158,665,846
	61,062,419	291,216,365

Type	*Interest rate %*	*Latest maturity (renewal)*	2016 EGP	2015 EGP
Current portion credit facilities				
Credit facility 1*	1.5%+CBE Deposit Corridor rate	December 2017	4,348,410	34,427,947
Credit facility 3***	0.5%+CBE Lending Corridor rate	June 2017	22,765,980	98,122,572
Total current credit facilities			27,114,390	132,550,519
Non-current credit facilities				
Credit facility 1*	1.5%+CBE Deposit Corridor rate	October 2020	3,692,439	9,735,734
Credit facility 2**	1%+CBE Average Discount Corridor rate	November 2021	30,255,590	130,351,421
Credit facility 3***	0.5%+CBE Lending Corridor rate		-	18,578,691
Total non-current credit facilities			33,948,029	158,665,846
			61,062,419	291,216,365

* Credit facility (1) is against discounted post-dated checks of customer's units who settled 30% of their units' value.
** Credit facility (2) secured by post-dated checks of delivered units with maximum financing amounting to 90% of its value.
*** Credit facility (3) is against discounted post-dated checks of customer's who delivered units.

26 PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

End-of-Service Benefits
The movement in the provision for employees' end-of-service benefits was as follows:

	2016 EGP	2015 EGP
Balance at the beginning of the year	**12,291,596**	8,852,688
Provided during the year	**9,331,951**	6,301,749
Paid during the year	**(1,508,338)**	(2,862,841)
Balance at the end of the year	**20,115,209**	12,291,596

27 PROVISIONS

	Balance as of 1 January 2016	Charged during the year	No longer required during the year	Used during the year	**Balance as of 31 December 2016**
	EGP	EGP	EGP	EGP	**EGP**
Provision for legal claims	2,947,365	4,007,501	(626,500)	-	**6,328,366**
Provision for other claims	47,574,325	-	-	(343,988)	**47,230,337**
	50,521,690	4,007,501	(626,500)	(343,988)	**53,558,703**

	Balance as of 1 January 2015	Charged during the year	No longer required during the year	Used during the year	Balance as of 31 December 2015
	EGP	EGP	EGP	EGP	EGP
Provision for legal claims	3,289,108	2,275,529	(2,617,272)	-	2,947,365
Provision for other claims	49,715,862	-	-	(2,141,537)	47,574,325
	53,004,970	2,275,529	(2,617,272)	(2,141,537)	50,521,690

No other material contingent liabilities other than what was provided for in the provisions above or what was disclosed in note 11 in respect of tax position.

28 SHARE CAPITAL

	2016	2015
	EGP	EGP
Authorised capital (shares of EGP 1 each)	**10,000,000,000**	10,000,000,000
Issued and fully paid-up	**4,529,338,000**	4,619,338,000
Number of shares	**4,529,338,000**	4,619,338,000

On 16 December 2014, an extraordinary general assembly meeting was held and approved the Company capital increase by EGP 3,141,000,000 to be EGP 4,019,338,000; the total amount will be paid at subscription as follows:

- Deducting an amount of EGP 3,086,234,900 from the shareholders current account (Emaar Properties PJSC) presented in financial statements as of 30 June 2014.
- Payment an amount of EGP 54,765,100 through cash deposit at bank.

On 15 March 2015, the Company has registered the increase and updated the commercial register.

On 31 March 2015, an extraordinary general assembly meeting was held and approved adjusting the shares par value from EGP 10 per share to EGP 1 per share, the number of shares was adjusted from 401933800 share to be 4019338000 share and updated the commercial register on 5 May 2015.

On 11 May 2015, an extraordinary general assembly meeting was held and approved the Company capital increase by EGP 600,000,000 with issuance price EGP 3.80 per share to be EGP 4,619,338,000 the share premium amounted to EGP 1,602,790,008 after deducting expenses of EGP 77,209,992 and updated the commercial register on 29 June 2015.

On 4 August 2015, the Company acquired 90 million ordinary shares (treasury shares) at price of EGP 3.80 per share amounted to EGP 342,000,000 to stabilize the share price in open market in addition to costs of EGP 503,840 in accordance with stability of share price in the market after issuance.

On 18 August 2016, the extraordinary general assembly meeting that was held on that date approved the reduction of the Company's capital by 90 million ordinary shares representing the treasury shares acquired during 2015 to be 4,529,338,000 share and the share premium reduced by EGP 252,503,840 and updated in the commercial register on 10 November 2016.

29 LEGAL RESERVE

As required by Egyptian Companies' law and the Company's articles of association, 5% of the net profit for the prior year is to be transferred to legal reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital.

30 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. The company has no dilutive shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2016	2015
	EGP	EGP
Net profit for the year	**1,683,572,786**	854,673,084
Employees share (estimated)	**(159,939,430)**	(81,193,943)
Net profit attributable to the ordinary equity holders	**1,523,633,356**	773,479,141
Weighted average number of ordinary shares for basic and diluted earnings	**4529338000**	3649902384
EPS – basic and diluted	**0.34**	0.21

31 COMMITMENTS

At 31 December 2016, the company had commitments in respect of its projects not provided for in the financial statements amounted to EGP 7,419,654,640 (31 December 2015: EGP 6,619,437,412).

Operating lease commitments - as lessor
The company has entered into leases on its investment properties. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	2016	2015
	EGP	EGP
Within one year	**9,951,334**	9,773,845
After one year but not more than five years	**26,453,636**	30,776,312
More than five years	**9,240,026**	13,663,338
	45,644,996	54,213,495

32 POST DATED CHECKS (OFF BALANCE SHEET)

The company maintanies post dated checks amounted to EGP 10,353,577,856 (31 December 2015: EGP 8,753,875,477) which represent post dated checks of undelivered units and not included in statement of financial position. These checks represent future installements according to payment scheduale of each customer according to company's policies.

33 RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related party transactions
During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

		31 December 2016					
Company	*Nature*	*Payments on behalf*	*IT and other expenses*	*Consultancy fees*	*Financing**	*Revenue*	*Sold units***
		EGP	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*
Turner Construction International Egypt	Joint venture	-	-	102,675,471	-	-	-
Emaar Properties – PJSC	Parent	939,216	9,578,605	-	55,022,871	-	-
Board members and key management personnel		-	-	-	-	27,396,607	-

		31 December 2015					
Company	*Nature*	*Payments on behalf*	*IT expenses*	*Consultancy fees*	*Financing**	*Revenue*	*Sold units***
		EGP	*EGP*	*EGP*	*EGP*	*EGP*	*EGP*
Turner Construction International Egypt	Joint venture	-	-	99,450,920	-	-	-
Emaar Properties – PJSC	Parent	1,150,553	5,387,404	-	200,602	-	-
Board members and key management personnel		-	-	-	-	-	-

*Financing transactions represents funds transferred from Emaar Properties PJSC to Emaar Misr for Development Company and the related foreign exchange differences.
**Sold units transactions represent sales contracts signed with related parties during the year.

The related parties' transactions described above resulted in the following balances:

a) Related party balances
Significant related party balances are as follows:

	31 December 2016				
	Due from related parties	*Due to related parties*	*Trade payables and accruals*	*Advance from customers*	*Trade and notes receivables*
	EGP	*EGP*	*EGP*	*EGP*	*EGP*
Parent**	-	72,912,515	-	-	-
Subsidiaries of the parent	2,818	5,291,428	-	-	-
Joint venture of the parent	-	-	98,984,138	-	-
Board members and key management personnel	-	-	-	8,247,838	5,682,045
	2,818	**78,203,943**	**98,984,138**	**8,247,838**	**5,682,045**

33 RELATED PARTY DISCLOSURES (continued)

	31 December 2015				
	Due from	*Due to*	*Trade payables and accruals*	*Advance from customers*	*Trade and notes receivables*
	EGP	*EGP*	*EGP*	*EGP*	*EGP*
Parent**	-	9,250,255	-	-	-
Subsidiaries of the parent	2,818	-	-	-	-
Joint venture of the parent	-	-	52,727,710	-	-
Board members and key management personnel	-	-	-	37,893,181	1,806,352
	2,818	9,250,255	52,727,710	37,893,181	1,806,352

**Due to parent represent a current account, callable by the parent, non-interest bearing, which resulted mainly from the financing and support received from the parent and other operating activities.

b) Related party borrowings

During year 2010, Emaar Misr was granted a loan from Emaar Properties PJSC, with a limit of USD 1,150,000, at interest rate (1%) per year over LIBOR. The balances are as follows:

	2016	2015
	EGP	EGP
Borrowings from related party		
Emaar Properties PJSC – Parent	11,296,127	4,842,083
	11,296,127	4,842,083

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2016	2015
	EGP	EGP
Short-term benefits	17,776,759	19,486,888
End-of-service benefits	6,213,724	3,331,941
	23,990,483	22,818,829

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

a) Credit risk,
b) Market risk, and
c) Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Parent Company on their activities.

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its receivables from customers, due from related parties, other receivables and from its financing activities, including deposits with banks and financial institutions.

Trade and notes receivables
The Company has entered into contracts for the sale of residential and commercial units on an instalment basis. The instalments are specified in the contracts. The Company is exposed to credit risk in respect of instalments due. However, the legal ownership of residential and commercial units is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Company earns its revenues from a large number of customers.

Other financial assets
With respect to credit risk arising from the other financial assets of the Company at amortised cost, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Bank Balances
The Company reduces the credit risk related to bank balances by dealing with reputable banks. Credit risk from balances with banks and financial institutions is managed by local Company's treasury supported by the Parent Company. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

Due from related parties
Due from related parties relates to transactions arising in the normal course of business with minimal credit risk, with a maximum exposure equal to the carrying amount of these balances.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include credit facilities and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest bearing time deposits.

Interest on financial instruments having floating rates is re-priced at intervals of less than one year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).
There is no impact on the Company's equity other than the profit impact stated below.

	31 December 2016		*31 December 2015*	
	Change in rate	*Effect on profit before tax EGP*	*Change in rate*	*Effect on profit before tax EGP*
Financial asset	+1%	27,238,949	+1%	16,879,000
	- 1%	(27,238,949)	- 1%	(16,879,000)
Financial liability	+1%	(82,658)	+1%	(356,120)
	- 1%	82,658	- 1%	356,120

The interest rates on loans from related parties are described in Note 33b to the financial statements. Interest rates on credit facilities from financial institutions are disclosed in Note 25 to the financial statements.

Exposure to foreign currency risk

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, AED and SAR exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the value of monetary assets and liabilities. The company's exposure to foreign currency changes for all other currencies is not material.

	31 December 2016		*31 December 2015*	
	Change in rate	**Effect on profit before tax EGP**	Change in rate	Effect on profit before tax EGP
USD	+10%	(10,005,791)	+10%	(3,558,663)
	-10%	10,005,791	-10%	3,558,663
AED	+10%	(7,696,263)	+10%	(1,320,042)
	-10%	7,696,263	-10%	1,320,042
EUR	+10%	417,370	+10%	122,854
	-10%	(417,370)	-10%	(122,854)
SAR	+10%	8,109	+10%	3,479
	-10%	(8,109)	-10%	(3,479)

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by local company management supported by the Parent Company. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities

	Less than 3 Months EGP	*3 to 12 months EGP*	*1 to 5 years EGP*	*Over 5 years EGP*	*Total EGP*
As at 31 December 2016					
Credit facilities	21,037,209	15,057,688	50,590,959	-	86,685,856
Retentions payable	-	84,741,527	129,280,427	-	214,021,954
Trade payables, accrued expenses and other credit balances	2,404,190,049	-	-	-	2,404,190,049
Income tax payable	136,683,151	-	-	-	136,683,151
Borrowings from related parties	11,296,127	-	-	-	11,296,127
Due to related parties	78,203,943	-	-	-	78,203,943
Land purchase liabilities	33,638,948	521,709,645	-	-	555,348,593
Total undiscounted financial liabilities	**2,685,049,427**	**621,508,860**	**179,871,386**	**-**	**3,486,429,673**

	Less than 3 Months EGP	*3 to 12 months EGP*	*1 to 5 years EGP*	*Over 5 years EGP*	*Total EGP*
As at 31 December 2015					
Credit facilities	36,020,581	119,558,820	178,368,844	17,470,082	351,418,327
Retentions payable	-	106,987,647	82,270,713	-	189,258,360
Trade payables, accrued expenses and other credit balances	1,602,882,780	-	-	-	1,602,882,780
Income tax payable	14,728,532	-	-	-	14,728,532
Borrowings from related parties	4,890,504	-	-	-	4,890,504
Due to related parties	9,250,255	-	-	-	9,250,255
Land purchase liabilities	143,909,940	113,916,845	542,348,593	-	800,175,378
Total undiscounted financial liabilities	**1,811,682,592**	**340,463,312**	**802,988,150**	**17,470,082**	**2,972,604,136**

35 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the company include bank balances and cash, accounts and notes receivables, other receivables and other debit balances, held to maturity investments and due from related parties. Financial liabilities of the company include credit facilities, trade payables, accrued expenses and other credit balances, land purchase liabilities, due to related parties, borrowings from related parties and retentions payable.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.