Depa Limited and its subsidiaries

Review report and interim condensed consolidated financial statements

For the six month period ended 30 June 2015

DEPA LIMITED

Review report and interim condensed consolidated financial statements for the six month period ended 30 June 2015

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DEPA LIMITED

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Depa Limited and its subsidiaries (the "Group") as at 30 June 2015, comprising of the interim consolidated statement of financial position as at 30 June 2015 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with 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. Consequently, it 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 statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

26 August 2015

Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Notes	***30 June 2015 (unaudited) US$***	*31 December 2014 (audited) US$*	***30 June 2015 (unaudited) AED***	*31 December 2014 (audited) AED*
ASSETS					
Non-current assets					
Property, plant and equipment	4	**89,638,362**	96,184,409	**329,420,982**	353,477,703
Investment properties		**1,832,172**	1,800,381	**6,733,233**	6,616,401
Intangible assets	5	**17,940,617**	20,397,417	**65,931,767**	74,960,506
Goodwill	6	**104,244,857**	104,244,857	**383,099,848**	383,099,848
Investments in associates	7	**16,112,959**	16,336,496	**59,215,125**	60,036,621
Available-for-sale investments	8	**6,054,814**	6,054,814	**22,251,443**	22,251,443
Held to maturity investments		**2,466,858**	2,381,793	**9,065,702**	8,753,089
Contract retentions		**20,559,223**	19,911,641	**75,555,143**	73,175,282
Deferred tax assets		**194,518**	305,380	**714,853**	1,122,273
Other non-current assets		**-**	149,159	**-**	548,160
		259,044,380	267,766,347	**951,988,096**	984,041,326
Current assets					
Accounts receivable and other assets	10	**235,658,563**	270,025,876	**866,045,218**	992,345,094
Amounts due from customers on construction contracts	11	**119,286,552**	133,164,871	**438,378,077**	489,380,902
Inventories		**19,794,767**	20,348,544	**72,745,767**	74,780,898
Cash and bank balances	9	**115,992,771**	119,978,418	**426,273,433**	440,920,685
		490,732,653	543,517,709	**1,803,442,495**	1,997,427,579
TOTAL ASSETS		**749,777,033**	811,284,056	**2,755,430,591**	2,981,468,905
EQUITY AND LIABILITIES					
Equity					
Share capital	12	**245,832,598**	245,832,598	**903,434,799**	903,434,799
Share premium		**190,576,238**	190,576,238	**700,367,674**	700,367,674
Share issuance costs		**(17,643,619)**	(17,643,619)	**(64,840,298)**	(64,840,298)
Treasury shares		**(4,488,071)**	(4,488,071)	**(16,493,664)**	(16,493,664)
Statutory reserve		**13,623,395**	13,623,395	**50,065,980**	50,065,980
Other reserve		**(1,376,801)**	(1,376,801)	**(5,059,743)**	(5,059,743)
Accumulated losses		**(19,918,243)**	(23,773,117)	**(73,199,540)**	(87,366,205)
Translation reserve		**(6,793,406)**	(5,103,191)	**(24,965,765)**	(18,754,227)
Equity attributable to equity holders of the parent		**399,812,091**	397,647,432	**1,469,309,443**	1,461,354,316
Non-controlling interests		**5,391,806**	7,670,180	**19,814,887**	28,187,912
Total equity		**405,203,897**	405,317,612	**1,489,124,330**	1,489,542,228
Non-current liabilities					
Bank borrowings	13	**16,959,175**	25,965,676	**62,324,967**	95,423,860
Provision for employees' end of service benefits		**19,835,822**	18,773,989	**72,896,646**	68,994,408
Subcontractors' retentions		**975,516**	586,052	**3,585,020**	2,153,744
Deferred tax liabilities		**69,858**	76,918	**256,724**	282,672
Due to related parties	15	**576,687**	534,593	**2,119,325**	1,964,628
		38,417,058	45,937,228	**141,182,682**	168,819,312
Current liabilities					
Accounts payable and accruals	14	**265,380,985**	303,557,445	**975,275,133**	1,115,573,608
Bank borrowings	13	**40,775,093**	56,471,771	**149,848,446**	207,533,757
		306,156,078	360,029,216	**1,125,123,579**	1,323,107,365
Total liabilities		**344,573,136**	405,966,444	**1,266,306,261**	1,491,926,677
TOTAL EQUITY AND LIABILITIES		**749,777,033**	811,284,056	**2,755,430,591**	2,981,468,905

A. Mazrui

Director	**Director**	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six month period ended 30 June 2015

	Notes	*Six month period ended 30 June*		*Six month period ended 30 June*	
		2015 (unaudited)	*2014 (unaudited) Restated*	***2015 (unaudited)***	*2014 (unaudited) Restated*
		US$	*US$*	***AED***	*AED*
Revenue		**228,960,739**	238,723,099	**841,430,716**	877,307,390
Direct costs		**(206,781,973)**	(208,500,088)	**(759,923,749)**	(766,237,825)
GROSS PROFIT		**22,178,766**	30,223,011	**81,506,967**	111,069,565
General and administrative expenses		**(26,574,987)**	(29,612,978)	**(97,663,084)**	(108,827,693)
Other income		**11,316,579**	8,871,573	**41,588,429**	32,603,030
Finance costs		**(595,080)**	(854,504)	**(2,186,920)**	(3,140,301)
Finance income		**104,783**	248,089	**385,077**	911,725
Impairment loss on available-for-sale investment		**-**	(69,664)	**-**	(256,015)
Share of profits/ (losses) from associates	7	**(223,537)**	79,092	**(821,496)**	290,663
PROFIT FOR THE PERIOD BEFORE TAX		**6,206,524**	8,884,619	**22,808,973**	32,650,974
Income tax expense	16	**(1,417,386)**	(1,727,499)	**(5,208,895)**	(6,348,560)
PROFIT FOR THE PERIOD		**4,789,138**	7,157,120	**17,600,078**	26,302,414
Attributable to:					
Equity holders of the parent		**4,201,555**	7,391,218	**15,440,709**	27,162,725
Non-controlling interests		**587,583**	(234,098)	**2,159,369**	(860,311)
		4,789,138	7,157,120	**17,600,078**	26,302,414
Earnings per share					
Basic and diluted earnings per share (in USD / AED per share)		**0.01**	0.01	**0.03**	0.04

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2015

	Six month period ended 30 June		*Six month period ended 30 June*	
	2015 (unaudited)	*2014 (unaudited) Restated*	***2015 (unaudited)***	*2014 (unaudited) Restated*
	US$	*US$*	***AED***	*AED*
Profit for the period	**4,789,138**	7,157,120	**17,600,078**	26,302,414
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange difference on translation of overseas operations	**(1,840,342)**	73,238	**(6,763,257)**	269,150
Total comprehensive income for the period	**2,948,796**	7,230,358	**10,836,821**	26,571,564
Attributable to:				
Equity holders of the parent	**2,511,340**	7,436,119	**9,229,171**	27,327,732
Non-controlling interests	**437,456**	(205,761)	**1,607,650**	(756,168)
	2,948,796	7,230,358	**10,836,821**	26,571,564

The accompanying notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 June 2015

	Attributable to equity holders of the Parent										
	Share capital AED	*Share premium AED*	*Share issuance costs AED*	*Treasury shares AED*	*Statutory reserve AED*	*Other reserve AED*	*Accumulated losses AED*	*Translation reserve AED*	*Total AED*	*Non-controlling interests AED*	*Total AED*
At 1 January 2014	903,434,799	700,367,674	(64,840,298)	(16,493,664)	47,737,179	-	(127,083,038)	5,720,717	1,448,843,369	7,812,560	1,456,655,929
Profit for the period (Restated)	-	-	-	-	-	-	27,162,725	-	27,162,725	(860,311)	26,302,414
Other comprehensive income	-	-	-	-	-	-	-	165,007	165,007	104,143	269,150
Total comprehensive income for the period (Restated)	-	-	-	-	-	-	27,162,725	165,007	27,327,732	(756,168)	26,571,564
Dividends paid (Restated)	-	-	-	-	-	-	-	-	-	(6,248,453)	(6,248,453)
Acquisition of non-controlling interests	-	-	-	-	-	-	(1,462,862)	-	(1,462,862)	(2,231,200)	(3,694,062)
Loss of control of subsidiaries (Note 20)	-	-	-	-	-	-	-	-	-	25,964,519	25,964,519
At 30 June 2014 (Restated)	903,434,799	700,367,674	(64,840,298)	(16,493,664)	47,737,179	-	(101,383,175)	5,885,724	1,474,708,239	24,541,258	1,499,249,497
At 1 January 2015	903,434,799	700,367,674	(64,840,298)	(16,493,664)	50,065,980	(5,059,743)	(87,366,205)	(18,754,227)	1,461,354,316	28,187,912	1,489,542,228
Profit for the period	-	-	-	-	-	-	15,440,709	-	15,440,709	2,159,369	17,600,078
Other comprehensive loss	-	-	-	-	-	-	-	(6,211,538)	(6,211,538)	(551,719)	(6,763,257)
Total comprehensive income for the period	-	-	-	-	-	-	15,440,709	(6,211,538)	9,229,171	1,607,650	10,836,821
Dividends paid	-	-	-	-	-	-	-	-	-	(7,730,952)	(7,730,952)
Acquisition of non-controlling interests	-	-	-	-	-	-	(1,274,044)	-	(1,274,044)	(2,249,723)	(3,523,767)
At 30 June 2015	**903,434,799**	**700,367,674**	**(64,840,298)**	**(16,493,664)**	**50,065,980**	**(5,059,743)**	**(73,199,540)**	**(24,965,765)**	**1,469,309,443**	**19,814,887**	**1,489,124,330**

The accompanying notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2015

	Notes	*Six month period ended 30 June* **2015 (unaudited) AED**	*2014 (unaudited) Restated AED*
OPERATING ACTIVITIES			
Profit before tax		**22,808,973**	32,650,974
Adjustment for:			
Depreciation of property, plant and equipment	4	**20,461,630**	20,289,515
Amortization of intangible assets	5	**9,060,048**	8,886,382
Loss on disposal of property, plant and equipment		**-**	136,930
Share of loss / (profits) from associates	7	**821,496**	(290,663)
Gain on held to maturity investments		**(312,613)**	(312,632)
(Reversal) / allowance for bad debts		**(17,338,741)**	-
Impairment loss on available-for-sale investments		**-**	256,015
Finance costs		**2,186,920**	3,140,301
Finance income		**(385,077)**	(911,725)
Provision for employees' end of service benefits		**3,902,238**	3,839,584
		41,204,874	67,684,681
Working capital changes:			
Amounts due from customers on construction contracts		**51,002,825**	(30,308,632)
Movement in restricted cash		**(3,847,181)**	(10,207,011)
Inventories		**2,035,131**	(9,270,053)
Accounts receivable and other assets		**143,638,617**	76,683,041
Contract retentions		**(2,379,861)**	(6,448,242)
Other non-current assets		**548,160**	(8,339)
Subcontractors' retentions		**1,431,276**	(4,039,708)
Due to related parties		**154,697**	(952,420)
Accounts payable and accruals		**(145,125,898)**	(26,866,949)
Net cash flows from operating activities		**88,662,640**	56,266,368
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(3,630,445)**	(3,926,524)
Proceeds from disposals of property, plant and equipment		**1,341,837**	1,412,957
Purchase of intangible assets	5	**(31,309)**	-
Interest received		**385,077**	911,725
Disposal of investment at fair value through profit or loss		**-**	550
Paid for additional acquisition of non-controlling interests		**(3,523,767)**	(3,694,062)
Loss of control of subsidiaries - net cash disposed		**-**	(6,495,209)
Dividends received	7	**-**	1,804,000
Movement in fixed deposits		**(41,704,233)**	(15,361,070)
Net cash flows used in investing activities		**(47,162,840)**	(25,347,633)

The accompanying notes 1 to 21 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the six month period ended 30 June 2015

	Note	*Six month period ended 30 June* **2015 (unaudited) AED**	*2014 (unaudited) Restated AED*
FINANCING ACTIVITIES			
Dividends paid to non-controlling interests		**(7,730,952)**	(6,248,453)
Interest paid		**(2,186,920)**	(3,140,301)
Decrease in margin money		**1,683,989**	-
Net movement in bank borrowings		**(69,140,560)**	(90,907,874)
Net cash used in financing activities		**(77,374,443)**	(100,296,628)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(35,874,643)**	(69,377,893)
Cash and cash equivalents at 1 January		**295,203,776**	387,384,991
Exchange differences arising on translation of foreign operations		**(996,390)**	2,277,873
CASH AND CASH EQUIVALENTS AT THE PERIOD END	9	**258,332,743**	320,284,971

1 CORPORATE INFORMATION

Depa Limited (the “Company”) is a company limited by shares and registered in accordance with DIFC Law No. 3 of 2006 as repealed and replaced by DIFC Law No. 2 of 2013 and was incorporated on 25 February 2008. Depa Limited is the management company of Depa United Group P.J.S.C. The Company's shares are listed on the Nasdaq Dubai.

On 31 March 2008, the Company received 99.9% of the shares in Depa United Group (P.J.S.C.) against an issue and allotment of 460,271,308 ordinary shares of the Company, each with a nominal value of US$ 0.40.

The address of the Company’s registered office is P.O. Box 56338, Dubai, United Arab Emirates.

The Company and its subsidiaries (together referred to as the “Group”) specialises in the luxury fit-out sector, focusing primarily on hospitality, commercial and residential property developments, and also includes the airport, retail, yacht, theming and specialist fit-out sectors. Additionally, the Group is a provider of manufactured products and procurement services, with a primary focus on customised furniture, fixtures and equipment, much of which is produced in our in-house facilities.

2 BASIS OF PREPARATION

Statement of compliance
This interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) specifically International Accounting Standard 34: “*Interim Financial Reporting*” issued by the International Accounting Standards Board.

Functional and presentation currency
The interim condensed consolidated financial information is presented in UAE Dirham (AED) since that is the currency in which the majority of the Group’s transactions are denominated. The US Dollars (US$) amounts, are presented solely for the convenience of the reader of the financial information. The UAE Dirham amounts have been translated at the rate of AED 3.675 to US$ 1. The translation rate has remained constant throughout the period.

Accounting convention
The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for certain investment properties, which have been measured at fair value.

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

In addition, results for the period from 1 January 2015 to 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. 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 power over the investee 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.

When the Company has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)
The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from the contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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 year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of the subsidiaries in which the Company exercises control are summarised as follows:

Name of subsidiaries	*% of holding*		*Country*	*Principal activities*
	30 June 2015	*31 December 2014*		
Depa United Group P.J.S.C.	**100%**	100%	U.A.E.	Management activities of the holding Company.

2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Name of subsidiaries	*% of holding* ***30 June 2015***	*31 December 2014*	*Country*	*Principal activities*
Subsidiaries of Depa United Group P.J.S.C.:				
Depa Interiors L.L.C.	**100%**	100%	U.A.E.	Full scope fit out and furnishing of five star hotels, luxury villas and residential, hospitalities and services
Depa Decoration, Contracting & General Maintenance L.L.C.	**100%**	100%	U.A.E.	Interior decoration, contracting and general maintenance services for hotels and other entities
PinoMeroni Yacht Interiors L.L.C.	**90%**	90%	U.A.E.	Trading in material and requisites for Yacht upholstery and fabric for curtains and upholstery and trading in decoration and partition materials
Eldiar Furniture Manufacturing and Decoration L.L.C.	**100%**	100%	U.A.E.	Manufacturing and sale of wooden doors, wardrobes, furniture decoration
Deco Emirates L.L.C.	**100%**	100%	U.A.E.	Building, contracting and decoration activities and trading in furniture and related items and shops interiors
Depa Hotels SAE	**91.95%**	91.95%	Egypt	Decoration works, interior and exterior finishing for hotels, motels, tourist villages and nile cruise ships
PinoMeroni Wooden and Metal Industries S A E	**86.17%**	86.17%	Egypt	Manufacturing of wooden and steel furniture
Depa Construction L.L.C.	**100%**	100%	U.A.E.	Interior and exterior decoration works and other related activities.
Dragoni International L.L.C.	**60%**	60%	U.A.E.	Interior design, furniture manufacturing and supply and fit out of soft and hard furnishings
Depa Al Barakah L.L.C.	**80%**	80%	U.A.E.	Contracting of partitions and false ceilings and trading of gypsum products and false ceiling
Depamar SARL	**100%**	100%	Morocco	Interior design, decoration works and construction of buildings
Depa Mauritius	**100%**	100%	Mauritius	Management activities of holding companies
Depa Saudi Contracting and Interior Design L.L.C.	**100%**	100%	Saudi Arabia	Interior decoration, contracting and general maintenance services for hotels and other entities
Depa Hungary kft	**100%**	100%	Hungary	Management activities of holding companies

2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Name of subsidiaries	*% of holding* ***30 June 2015***	*31 December 2014*	*Country*	*Principal activities*
Subsidiaries of Depa United Group P.J.S.C. (continued)				
Paragon Creative Middle East L.L.C.	**51%**	51%	U.A.E.	Building, Maquette and model trading
The Parker ME FZ L.L.C	**51%**	51%	U.A.E	Procurement services to hospitality industry
Depa Jordan Investment W.L.L.	**70%**	70%	Bahrain	Management activities of holding companies
Depa Syria for Contracting and Real Estate Developments	**100%**	100%	Syria	Investment in real estate and all related services and activities
Depa Industrial Group Maroc	**100%**	100%	Morocco	Manufacturing and sale of wooden doors, wardrobes, furniture decoration
Depa Industrial Group (DIG) Dubai	**90%**	90%	U.A.E	Contracting of wooden doors, frames, windows, building metal products and other joinery products as well as manufacture of home furniture
Carrara Mideast Industrial Co. L.L.C.	**100%**	100%	U.A.E.	Cutting, processing, polishing and fixing marble and granite.
Design Studio Group Ltd*	**89.80%**	89.03%	Singapore	Manufacture, supply and installation of paneling products to residential property projects. Interior fitting-out services to hospitality and commercial projects
Depa (U.K) Limited	**100%**	100%	UK	General commercial company
Depa Azerbaijan LLC	**100%**	100%	Azerbaijan	Full scope fit out and furnishing of five star hotels, luxury villas and residential, hospitalities and services
Thrislington Gulf L.L.C.	**100%**	100%	U.A.E.	Manufacturing and installation of office partitions
Projects Division Company (SARLAU)	**100%**	100%	Morocco	Investment in real estate and all related services and activities
MivanDepa Contracting Bahrain W.L.L.	**100%**	100%	Bahrain	Importing of décor decor materials and undertaking interior designs and décor contracts.
Depa Qatar Company W.L.L.	**100%**	100%	Qatar	Civil construction and related activities
Depa India Private Limited	**100%**	100%	India	Full scope fit out and furnishing of five star leasing hotels.

2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Name of subsidiaries	*% of holding* **30 June 2015**	*31 December 2014*	*Country*	*Principal activities*
Subsidiaries of Depa United Group P.J.S.C. (continued)				
Depa India RAK FZE	**100%**	100%	U.A.E.	Trading, imports and exports of carpets, chandeliers, home furnitures, and light fitting and fixtures.
Depa SRL	**100%**	100%	Italy	Trading and selling furniture
Depa USA Holding Co	**100%**	100%	USA	Hospitality, procurement (this is a holding company only with no operating activities by itself)
The Parker Company L.L.C.- USA	**51%**	51%	USA	Hospitality procurement
Parker Company Brazil Consultoria Empresarial Ltd	**50.49%**	50.49%	Brazil	Hospitality procurement
The Parker Company (Asia) Limited, Hongkong	**51%**	51%	Hong kong SAR	Holding company and hospitality procurement
The Parker Company (Shanghai) Limited	**51%**	51%	Hong kong SAR	Hospitality procurement
The Parker Company AG - Zurich,	**51%**	51%	Switzerland	Hospitality procurement
Depa Germany GmbH & Co. KG	**100%**	100%	Germany	Management activities of holding companies
Depa Germany Verwaltungs GmbH & Co. KG	**100%**	100%	Germany	Management activities of holding companies
Vedder Gmbh	**100%**	100%	Germany	Interior work, custom yacht interiors, custom made furniture.
Vedder Munich GmbH	**100%**	100%	Germany	Interior work, custom yacht interiors, custom made furniture.
Depa Munich GmbH & Co. KG	**100%**	100%	Germany	Management activities of holding companies.
Wallersdorfer Solar GmbH	**100%**	100%	Germany	Management activities of holding companies.

*Based on an agreement with a non-controlling shareholder in the subsidiary Design Studio Group Ltd, the Group purchased 7 million shares in the subsidiary in tranches over the years from 2013 to 2015. During the period, 2 million shares have been acquired (representing 0.7% of the shares) in the subsidiary, for consideration of AED 3.5 million (2014: 2 million shares for a consideration of AED 3.7 million).

Investments in associates are disclosed in note 7.

2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Details of the Group's interest in Joint operations is summarised as follows:

Name of Joint Operations	*Principal activities*	*Place of incorporation and/or operation*	*Ownership interest*	
			2015	*2014*
Depa / CCC – SKMC, Morocco joint operation project	Contracting	Morocco	**50%**	50%
Depa / CCC and GTGCE - The Presidential Palace joint operation Project	Contracting	United Arab Emirates	**50%**	50%
Lindner Depa Interiors LLC ("LDI")	Manufacturing and trading in interior decoration partition and false ceiling products	United Arab Emirates	**51%**	51%
Lindner Middle East LLC ("LME")	Trading of false ceilings, building and construction materials, tiles, flooring materials, decoration material and partition	United Arab Emirates	**51%**	51%

The Group is entitled to a proportionate share of the joint operation assets and revenues and bears a proportionate share of the liabilities and expenses.

Use of estimates and judgements

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Contract claims

Contract claims are recognised as revenue only when management believes that an advanced stage of negotiation has been reached and the revenue can be estimated with reasonable certainty. The amount of claim recognised as part of the revenue for the period is AED 15 million (2014: AED 46 million) which pertain to the KAPSARC project. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicates that such adjustments are appropriate.

In preparing these interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

3 ACCOUNTING POLICIES

Changes in accounting policies
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group have defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 2 Share-based Payment
This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

The Group does not have any impact as a result of these improvements.

IFRS 3 Business Combinations
The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments
The amendments clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 18 in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of decision making.

3 ACCOUNTING POLICIES (continued)

Changes in accounting policies (continued)
IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

IAS 24 Related Party Disclosures
The amendment clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and include:

IFRS 3 Business Combinations
The amendment clarifies the scope exceptions within IFRS 3 that:
- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

The Group itself is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 Fair Value Measurement
The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

Standards, amendments and interpretations issued but not effective
Standards issued but not yet effective up to the date of issuance of the Group’s interim condensed consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but no impact on the classification and measurement of the Group’s financial liabilities.

3 ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations issued but not effective (continued)

IFRS 15 Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 *Revenue from Contract with Customers.* The standard applies to revenue from contract with customers and replaces all of the revenue standards and interpretation in IFRS, including IAS 11 *Construction contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions involving Advertising Services.*

IFRS 15 creates a single source of revenue requirements for all entities in all industries using a principal based approach with increased judgment. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group is currently evaluating the impact of the new standard.

4 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings AED	*Machinery and equipment AED*	*Motor vehicles AED*	*Furniture and office equipment AED*	*Operating equipment and site tools AED*	*Site equipment AED*	*Caravans AED*	*Capital workin progress AED*	*Total AED*
Cost:									
At 1 January 2014	313,007,416	192,192,129	20,426,868	76,978,820	580,968	1,639,664	811,541	62,038,026	667,675,432
Additions	13,092,793	3,865,786	422,942	2,800,663	-	129,497	-	310,872	20,622,553
Disposals	(2,411,302)	(1,294,620)	(1,587,798)	(7,454,927)	-	(48,140)	-	-	(12,796,787)
Transfers	55,067,678	-	-	-	-	-	-	(55,067,678)	-
Exchange differences	(8,616,466)	(5,216,381)	(164,833)	(1,977,760)	(10,415)	-	(2,580)	(85,245)	(16,073,680)
Assets disposed on loss of control	-	(26,809)	(205,653)	(2,693,028)	-	-	-	-	(2,925,490)
At 31 December 2014 (audited)	370,140,119	189,520,105	18,891,526	67,653,768	570,553	1,721,021	808,961	7,195,975	656,502,028
At 1 January 2015	370,140,119	189,520,105	18,891,526	67,653,768	570,553	1,721,021	808,961	7,195,975	656,502,028
Additions for the period	358,740	1,582,455	425,000	1,244,594	-	19,656	-	-	3,630,445
Disposals for the period	(231,277)	(1,115,701)	(1,273,126)	(1,420,424)	-	(20,739)	-	-	(4,061,267)
Transfers during the period	-	-	348,107	-	-	-	(348,107)	-	-
Exchange differences	(6,217,876)	(3,248,492)	(67,720)	(1,332,782)	(25,623)	-	-	(57,462)	(10,949,955)
At 30 June 2015 (unaudited)	**364,049,706**	**186,738,367**	**18,323,787**	**66,145,156**	**544,930**	**1,719,938**	**460,854**	**7,138,513**	**645,121,251**
Depreciation:									
At 1 January 2014	104,212,505	106,380,319	18,980,888	49,576,597	354,553	1,629,217	239,037	-	281,373,116
Charge for the year	18,274,592	13,155,773	1,067,494	8,331,163	18,132	77,735	29,824	-	40,954,713
Disposals	(2,411,302)	(1,269,615)	(1,554,498)	(6,900,064)	-	(34,604)	-	-	(12,170,083)
Exchange differences	(808,894)	(3,136,255)	(222,270)	(1,054,036)	(8,955)	-	(1,904)	-	(5,232,314)
Assets disposed on loss of control	-	(3,776)	(205,653)	(1,691,678)	-	-	-	-	(1,901,107)
At 31 December 2014 (audited)	119,266,901	115,126,446	18,065,961	48,261,982	363,730	1,672,348	266,957	-	303,024,325
At 1 January 2015	119,266,901	115,126,446	18,065,961	48,261,982	363,730	1,672,348	266,957	-	303,024,325
Charge for the period	10,083,907	5,996,267	374,729	3,899,461	2,718	89,941	14,607	-	20,461,630
Disposals	(231,277)	(200,965)	(1,273,126)	(971,711)	-	(42,351)	-	-	(2,719,430)
Exchange differences	(891,546)	(2,760,685)	(119,169)	(1,265,425)	(24,375)	-	(5,056)	-	(5,066,256)
At 30 June 2015 (unaudited)	**128,227,985**	**118,161,063**	**17,048,395**	**49,924,307**	**342,073**	**1,719,938**	**276,508**	**-**	**315,700,269**
Net carrying amount:									
At 30 June 2015 (unaudited)	**235,821,721**	**68,577,304**	**1,275,392**	**16,220,849**	**202,857**	**-**	**184,346**	**7,138,513**	**329,420,982**
At 31 December 2014 (audited)	250,873,218	74,393,659	825,565	19,391,786	206,823	48,673	542,004	7,195,975	353,477,703

5 INTANGIBLE ASSETS

	Brand name AED	*Customer relationships AED*	*Contracts on hand AED*	*Others AED*	*Total AED*
Cost:					
At 1 January	97,586,297	76,007,652	43,835,120	71,139,919	288,568,988
Additions	-	-	-	1,739,631	1,739,631
At 31 December 2014 (audited)	97,586,297	76,007,652	43,835,120	72,879,550	290,308,619
At 1 January 2015	97,586,297	76,007,652	43,835,120	72,879,550	290,308,619
Additions	-	-	-	31,309	31,309
At 30 June 2015 (unaudited)	**97,586,297**	**76,007,652**	**43,835,120**	**72,910,859**	**290,339,928**
Amortisation:					
At 1 January 2014	44,318,961	59,627,122	43,835,120	49,446,814	197,228,017
Charge for the year	5,207,681	6,522,175	-	6,390,240	18,120,096
At 31 December 2014 (audited)	49,526,642	66,149,297	43,835,120	55,837,054	215,348,113
At 1 January 2015	49,526,642	66,149,297	43,835,120	55,837,054	215,348,113
Charge for the period	2,603,840	3,261,088	-	3,195,120	9,060,048
At 30 June 2015 (unaudited)	**52,130,482**	**69,410,385**	**43,835,120**	**59,032,174**	**224,408,161**
Carrying amount:					
At 30 June 2015 (unaudited)	**45,455,815**	**6,597,267**	**-**	**13,878,685**	**65,931,767**
At 31 December 2014 (audited)	48,059,655	9,858,355	-	17,042,496	74,960,506

6 GOODWILL

Goodwill attributable to cash generating units (CGUs) is as follows:.

	30 June 2015 AED (unaudited)	*31 December 2014 AED (audited)*
Depa Interiors LLC	**84,672,299**	84,672,299
Lindner Middle East LLC	**16,494,663**	16,494,663
Depa Al Barakah LLC	**6,602,816**	6,602,816
DepaDécoration, Contracting & General Maintenance LLC	**8,106,402**	8,106,402
Depa Saudi Contracting and Interior Design LLC	**5,753,083**	5,753,083
Depa Qatar Company WLL	**21,472,999**	21,472,999
Dragoni International LLC	**5,065,847**	5,065,847
Deco Emirates LLC	**8,094,911**	8,094,911
PinoMeroni Wooden and Metal Industries SAE	**861,646**	861,646
Depa Industrial Group (DIG) LLC	**5,209,151**	5,209,151
Carrara Mideast Industrial Co. LLC	**6,842,212**	6,842,212
Vedder GmbH	**32,291,462**	32,291,462
Design Studio Group Ltd.	**83,009,614**	83,009,614
Depa Design Studio Ltd.	**61,016,395**	61,016,395
Parker Middle East FZE	**11,310,230**	11,310,230
The Parker Company (Shanghai) Limited	**1,741,526**	1,741,526
The Parker Company LLC - USA	**29,620,439**	29,620,439
	388,165,695	388,165,695
Less: Impairment loss on goodwill	**(5,065,847)**	(5,065,847)
	383,099,848	383,099,848

6 GOODWILL (continued)

Goodwill is tested for impairment annually or when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2014.

7 INVESTMENTS IN ASSOCIATES

Details of the Group's associates are as follows:

Name of associate	***Principal activities***	***Place of incorporation and operation***	***Ownership interest 30 June 2015 (unaudited)***	***Ownership Interest 31 December 2014*** *(audited)*
Al Tawasoul Property Development Company	Property management and development	United Arab Emirates	**15.60%**	15.60%
Jordan Wood Industries PLC	Manufacturing of furniture	Jordan	**36.41%**	36.41%
Decolight Trading LLC	Trading of electrical and decoration materials	United Arab Emirates	**45.10%**	45.10%
Polypod Middle East LLC	Assembly of bathroom pods or other types of pods	United Arab Emirates	**40.00%**	40.00%

Although the Group holds less than 20% in Al Tawasoul Property Development Company, the Group exercises significant influence by virtue of its contractual right to appoint one director to the board of the investee.

Movement in investment in associates during the period / year is as follows:

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
At 1 January	**60,036,621**	64,342,024
Share of (loss) profit, net	**(821,496)**	1,214,859
Dividends received	**-**	(2,255,000)
Impairment loss	**-**	(3,265,262)
Balance at the end of the period / year	**59,215,125**	60,036,621

Fair value of investment in JWICO as at 30 June 2015, based on listed bid price, was AED 14,371,420 (2014: 15,310,728). Management is of the opinion that the investments in associates were not impaired.

8 AVAILABLE-FOR-SALE INVESTMENTS

The Group has available-for-sale investments in Saraya Holdings Limited and in Al Futtaim Mena Real Estate Shari'a Development Fund ('Al Futtaim Fund'). The investments in Saraya Holdings Limited and Al Futtaim Fund have not been impaired during the period (2014: impairment loss of AED 608,725) and have carrying value of AED 3,881,940 (2014: AED 3,881,940) and AED 18,369,503 (2014: AED 18,369,503) respectively. Management believes that the carrying value of these investments approximate their fair value.

9 CASH AND CASH EQUIVALENTS

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Cash on hand	**7,109,821**	7,522,429
Bank balances:		
Current accounts	**290,672,574**	300,295,557
Short term fixed deposits	**2,161,755**	50,640,841
Term deposits	**43,891,468**	2,187,235
Restricted cash	**77,669,806**	73,822,625
Margin money	**4,768,009**	6,451,998
Cash and bank balances	**426,273,433**	440,920,685
Short term deposits with maturity over three months	**(43,891,468)**	(2,187,235)
Restricted cash	**(77,669,806)**	(73,822,625)
Margin money	**(4,768,009)**	(6,451,998)
Bank overdraft	**(41,611,407)**	(63,255,051)
Cash and cash equivalents	**258,332,743**	295,203,776

10 ACCOUNTS RECEIVABLE AND OTHER ASSETS

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Trade receivables	**458,382,737**	527,451,215
Amounts due from related parties (Note 15)	**12,722,060**	16,228,533
Advances to subcontractors and suppliers	**82,799,094**	120,513,874
Contract retentions	**208,207,704**	248,153,347
Prepayments	**29,714,237**	19,707,871
Guarantees encashed by customers	**74,625,138**	76,625,138
Other receivables and current assets	**139,054,951**	140,464,560
	1,005,505,921	1,149,144,538
Less: Allowances for doubtful trade receivables, contract retentions and guarantees encashed by customers	**(139,460,703)**	(156,799,444)
	866,045,218	992,345,094

Trade receivables represent amounts due from customers for contract work rendered by the Company and duly certified by the customers.

Contract retentions represent amounts withheld by the customers in accordance with contract terms and conditions. These amounts are to be repaid upon fulfillment of contractual obligations.

Other receivables and current assets balance include refundable deposits amounting to AED 16,466,503 (2014: AED 18,332,606), margins amounting to AED 8,558,335 (2014: AED 7,594,702) and tax receivables amounting to AED 32,835,946 (2014: AED 36,618,223).

10 ACCOUNTS RECEIVABLE AND OTHER ASSETS (continued)

The encashed guarantees (advance payment and performance bond guarantees) are related to certain contracts cancelled by the Group's customers in 2012. A significant portion of this balance relates to one of the Group's overseas projects where it was publicly announced by a related party to the Group's customer of the intention to file a claim against the Group. The Group is confident based on legal advice received to date that there is no merit to such a claim. No legal proceedings have been initiated against the Group as of the date of issuance of these interim condensed consolidated financial statements in relation to this claim.

These encashed guarantees were payable on demand, and on payment by the banks concerned, management has recorded these encashed guarantees as receivables, pending resolution of the disputes. In 2013, the Group served its notice of intent to proceed to arbitration in respect of these cancelled contracts. Based on independent expert advice and continuing legal counsel opinions, management have provided an allowance for doubtful debts for all trade receivables, contract retentions and guarantees encashed by customers which, based on management's assessment, may not be recovered in full.

11 CONSTRUCTION CONTRACTS

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Contracts in progress at end of the reporting period		
Amounts due from customers included in current assets	**438,378,077**	489,380,902
Amounts due to contract customers included in accounts payable and accruals (Note 14)	**(23,909,714)**	(36,371,858)
	414,468,363	453,009,044
Contract costs incurred plus recognised profits less recognised losses to date	**4,278,715,506**	5,698,563,305
Less: Progress billings	**(3,864,247,143)**	(5,245,554,261)
	414,468,363	453,009,044

Amount due from customers on construction contracts includes amounts which have been recognised as revenue and have not been billed at the end of the reporting period. The balance is net of impairment allowance amounting to AED 34,053,568 (2014: AED 38,237,992).

12 SHARE CAPITAL

The share capital as at 30 June 2015 and 31 December 2014 comprises of the following:

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Authorised shares:		
5,000,000,000 ordinary shares of AED 1.47 (US$ 0.40) each	**7,350,000,000**	7,350,000,000
Issued and fully paid shares:		
614,726,448 ordinary shares of AED 1.4697 (US$ 0.40) each	**903,434,799**	903,434,799

13 BANK BORROWINGS

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Bank overdrafts	**41,611,407**	63,255,051
Bank loans	**126,293,506**	173,612,872
Trust receipts and acceptances	**44,268,500**	66,089,694
	212,173,413	302,957,617
The borrowings are repayable as follows:		
On demand or within one year	**149,848,446**	207,533,757
In the second year	**27,005,554**	49,505,554
In the third year and above	**35,319,413**	45,918,306
	212,173,413	302,957,617

Presented in the interim condensed consolidated statement of financial position as:

Non-current liabilities	**62,324,967**	95,423,860
Current liabilities	**149,848,446**	207,533,757
	212,173,413	302,957,617

Bank overdrafts
The interest rate on the overdrafts varies between EIBOR plus a margin per annum and the bank base rate plus a margin per annum.

Bank loans
These comprise the following:

- In 2012, the Group obtained a loan facility amounting to AED 60,000,000 for working capital purposes. The loan bears an interest rate of 3 months EIBOR plus a margin, subject to a minimum interest rate per annum. The loan is repayable in 12 equal quarterly installments. At 30 June 2015, the outstanding balance was AED 5,000,000 (2014: AED 15,000,000).

- In 2012, the Group obtained a loan facility amounting to AED 60,000,000 for working capital purposes. The loan bears interest at a fixed rate and is repayable in 36 equal monthly installments. At 30 June 2015, the outstanding balance was AED 3,333,333 (2014: AED 13,333,333).

- In 2013, the Group obtained a loan facility of AED 90,000,000 from a local bank for working capital purposes. The loan bears an interest of 3 months EIBOR plus a margin (2013: 3 months EIBOR plus a margin) and is repayable in 12 quarterly installments from 2 January 2014. At 30 June 2015, the outstanding balance was AED 45,000,000 (2014: AED 60,000,000).

- In 2013, the Group obtained two separate loans in Germany to finance the purchase of fixed assets of Loher amounting to EUR 5,500,000 and EUR 2,500,000, respectively. The loan bears a fixed rate of interest per annum and is payable in 120 monthly installments, ending 30 May 2023. The outstanding balance of the loan as at 30 June 2015 was AED 21,147,901 (EUR 5,190,942) (2014: AED 23,569,583 (EUR 5,201,957)) and AED 8,985,711 (EUR 2,205,623) (2014: AED 10,290,638 (EUR 2,305,457)), respectively. The loan is secured by way of a charge on the land known as Wallersdorf Str. 17 in Haidlfing.

- In 2013, the Group obtained EUR 400,000 loan in Germany to finance its working capital requirements. The loan is payable in 72 monthly installment of EUR 6,220. As at 30 June 2015, the outstanding balance of the loan was AED 1,159,894 (EUR 286,605) (2014: AED 1,419,318 (EUR 317,976)).

13 BANK BORROWINGS (continued)

Bank loans (continued)

- In 2014, the Group obtained a loan from a local bank amounting to AED 50,000,000 which bears an interest rate of 3 months EIBOR plus margin, subject to a minimum interest rate per annum. The loan is repayable in 12 equal quarterly installments beginning March 2015. At 30 June 2015, the outstanding balance was 41,666,667 (2014: AED 50,000,000).

Trust receipts
Trust receipts are one of the financing facilities used by the Group for imports. The buyer promises to hold the goods received in the name of the bank arranging the financing, although the bank retains title to the goods until the debt is settled. These facilities are obtained from local banks and the payment terms vary between 30 and 180 days and are subject to interest rates ranging from 4% to 8%per annum (2014: 4% to 8% per annum).

The Group has various debt covenants related to its facilities which require maintaining certain financial ratios within stipulated limits as required by the banks (refer note 17).

14 ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Trade payables	**209,201,047**	216,981,402
Advances received	**259,329,140**	314,604,837
Sub-contractors' retentions	**83,555,339**	64,374,818
Accrued expenses	**217,856,414**	277,306,520
Amounts due to related parties (Note 15)	**21,459,265**	29,586,521
Amounts due to customers on construction contracts (Note 11)	**23,909,714**	36,371,858
Income tax payable	**24,896,816**	18,482,871
Other payables	**135,067,398**	157,864,781
	975,275,133	1,115,573,608

The average credit period on purchases of goods is 60-120 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15 RELATED PARTIES

Related parties include the shareholders, directors and key management personnel of the Company and entities in which they have the ability to control or joint control and / or exercise a significant influence. The Group maintains significant balances with these related parties which arise from commercial transactions as follows:

	Six month period ended 30 June	
	2015 (unaudited) AED	*2014 (unaudited) Restated AED*
Key management remuneration	**21,254,712**	19,630,786
Direct cost	**8,465,899**	35,874,422
Revenue	**94,288,161**	114,691,813
Finance cost	**96,260**	116,571

15 RELATED PARTIES (continued)

Amounts due from related parties (Note 10)

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Joint Operations		
Amounts due from joint operating partner – LDI	**12,360,380**	12,418,538
Amounts due from joint operating partner – LME	**292,670**	219,813
Other related parties		
Entities with common ownership and management		
Decolight Trading Co. L.L.C., United Arab Emirates	**-**	331,547
Al Tawasoul Property Development Company L.L.C., UAE	**-**	8,800
Others	**69,010**	2,693,167
Receivable from key management personnel	**-**	556,668
	12,722,060	16,228,533
Included in trade receivables, contract retentions and amounts due from /(to) customers on construction contracts are the following related party balances		
Entities with common ownership and management		
Arabtec Construction L.L.C., United Arab Emirates	**154,932,474**	135,751,549
Drake & Scull International., United Arab Emirates	**78,684,309**	101,439,764
HAMG Real Estate LLC, United Arab Emirates	**6,820,563**	8,412,817
Al Futtaim Engineering Egypt SAE, Egypt	**9,614,015**	11,214,230
	250,051,361	256,818,360
Less: Allowance for doubtful related party receivables	**(1,435,000)**	(1,435,000)
	248,616,361	255,383,360

The allowance for doubtful debts relates to work performed for a related party, where the Group was acting as a subcontractor in a back to back arrangement for the ultimate customer.

Amounts due to related parties (Note 14)	***30 June 2015 (unaudited) AED***	*31 December 2014 (audited) AED*
Joint Operations		
Amounts due to joint operating partner	**8,833,991**	13,501,232
Other related parties		
Entities with common ownership and management		
Decolight Trading Co. L.L.C., United Arab Emirates	**62,960**	-
Al Tawasoul Property Development Company L.L.C.	**240,707**	-
Lindner AG Germany	**865,980**	3,456,586
Mazrui Holding L.L.C.	**-**	2,875
Jordan Wood Industries PLC, Jordan	**814,957**	1,721,992
Other	**-**	92,578
Loans from related parties		
Lindner Fassaden GmbH, Germany	**10,640,670**	10,811,258
	21,459,265	29,586,521

15 RELATED PARTIES (continued)

Amounts due to related parties (Note 14) (continued)	***30 June 2015 (unaudited) AED***	*31 December 2014 (audited) AED*
Included in advances received are the following related party balances		
Entities with common ownership and management		
Arabtec Construction L.L.C., United Arab Emirates	**8,825,650**	12,151,336
Drake & Scull International, United Arab Emirates	**-**	10,005,055
Al Futtaim Engineering Egypt SAE, Egypt	**23,750**	722,310
	8,849,400	22,878,701
Shown under non-current liabilities		
Due to a shareholder	**2,119,325**	1,964,628

The loan from Lindner Fassaden GmbH, Germany is due for repayment in October 2015 and bears interest at 2% per annum (2014: 2% per annum).

16 INCOME TAX

The Group calculates income tax expense using the tax rate that would be applicable to expected total annual earnings, i.e., the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

The major components of income tax expense in the interim consolidated statement of comprehensive income are:

	"Six-month" period ended 30 June	
	2015 (unaudited) AED	*2014 (audited) AED*
Income taxes		
Current income tax expense	**4,827,423**	8,560,399
Deferred tax (income) expense relating to the origination and (reversal) of temporary differences	**381,472**	(2,211,839)
	5,208,895	6,348,560

The Group is subject to taxation on its operations in Egypt, Morocco, Kingdom of Saudi Arabia, Qatar, India, Jordan, Syria, Azerbaijan, United Kingdome, Mauritius, Singapore, China, Hungary and Germany. Income in these countries is subject to tax at rates ranging between 10% to 35%.

17 CONTINGENCIES AND COMMITMENTS

	30 June 2015 (unaudited) AED	*31 December 2014 (audited) AED*
Letters of credit	**62,488,188**	38,848,863
Letters of guarantee	**816,266,568**	875,612,160
Security cheques issued	**46,069,413**	35,723,006

Letters of credit are issued by various financial institutions which the Group deals with and they provide an irrevocable payment undertaking to suppliers against complying documents as stated in the letters of credit. The facilities are mainly initiated to facilitate dealings with foreign suppliers.

Letters of guarantee are issued by various financial institutions and they mainly take the form of performance bond and advance payment guarantees. The Group issues various guarantees to clients for whom projects are executed, whereby if the Group fails to execute according to specifications laid out by the client, the latter is guaranteed compensation for monetary losses.

The above letters of credit and guarantee were issued in the normal course of business.

The security cheques were issued in lieu of performance bond for projects.

The Group is in compliance with majority of agreed financial covenants in respect of banking facilities, however, one financial covenant with a commercial bank is in breach at the period end. Bank facilities have been renewed in this bank without any reduction in limits and none of the facilities have been withdrawn to date. Management meets with the banks on a monthly and quarterly basis as part of their risk management strategy the concerned banks is fully aware of such breach.

Legal cases
The Group companies are defendants in a number of legal proceedings which arose in the normal course of business. The Group does not expect that the outcome of such proceedings either individually or in the aggregate will have a material effect on the Group's operations, cash flows or financial position.

18 SEGMENT INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

For management purposes, the Group is organized into three operating business: contracting, manufacturing and procurement. These businesses are the basis on which the Group reports its primary segment information to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. The principal products and services of each of these businesses are as follows:

Contracting
- Interior fit outs of hotels, villas, residential hospitalities and infrastructure projects.
- Decoration works, interior and exterior furnishing for hospitalities and cruise ships

Manufacturing
- Wooden doors, wardrobes, furniture and decoration
- Interior decoration partitions, false ceilings
- Cutting, processing, polishing of marble and granite

Procurement
- Procurement services to hospitalities for FFE & OSE.

18 SEGMENT INFORMATION (continued)

The following table shows the Group's primary segment analysis:

	30 June 2015 (unaudited)			
	Contracting AED	***Manufacturing AED***	***Procurement AED***	***Total AED***
Revenues	**305,837,372**	**598,960,002**	**26,073,410**	**930,870,784**
Gross profit	**6,693,091**	**55,972,649**	**18,791,228**	**81,456,968**
Reportable segment profit for the period	**9,356,272**	**22,946,346**	**7,972,323**	**40,274,941**
Depreciation	**4,322,292**	**12,440,727**	**107,081**	**16,870,100**
Amortisation	**-**	**3,101**	**2,193**	**5,294**
Reportable segment assets	**1,273,598,861**	**1,266,578,711**	**113,379,181**	**2,653,556,753**
Reportable segment liabilities	**1,148,379,045**	**724,089,796**	**81,073,658**	**1,953,542,499**
Capital expenditure	**423,657**	**3,085,837**	**69,297**	**3,578,791**

	30 June 2014 (unaudited) Restated			
	Contracting AED	*Manufacturing AED*	*Procurement AED*	*Total AED*
Revenues	437,546,237	468,799,783	16,787,700	923,133,720
Gross profit	17,508,116	82,826,736	10,734,713	111,069,565
Reportable segment profit for the period	13,814,579	35,110,280	1,940,422	50,865,281
Depreciation	5,378,692	10,522,419	98,979	16,000,090
Amortisation	-	28,654	-	28,654
Capital expenditure	539,955	2,020,059	-	2,560,014

	31 December 2014 (audited)			
	Contracting AED	*Manufacturing AED*	*Procurement AED*	*Total AED*
Reportable segment assets	1,538,525,828	1,256,962,558	105,678,529	2,901,166,915
Reportable segment liabilities	1,369,549,816	715,965,331	79,021,202	2,164,536,349

18 SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenues, profit, depreciation and amortisation

	Six month period ended	
	30 June 2015 AED (Unaudited)	*30 June 2014 Restated AED (Unaudited)*
Revenues		
Total revenues for reportable segments	**930,870,784**	923,133,720
Elimination of intersegment revenues	**(89,440,068)**	(45,826,330)
Group's revenues	**841,430,716**	877,307,390
Profit		
Total profit for reportable segments	**40,274,941**	50,865,281
Other corporate expenses	**(16,310,537)**	(22,549,343)
Elimination of intersegment expenses	**(6,364,326)**	(2,013,524)
Group's profit	**17,600,078**	26,302,414
Depreciation		
Total depreciation for reportable segments	**16,870,100**	16,000,090
Head office	**3,591,530**	4,438,945
Group's depreciation expense	**20,461,630**	20,439,035
Amortisation		
Total amortisation for reportable segments	**5,294**	28,654
Head office	**9,054,754**	8,857,728
Group's amortisation	**9,060,048**	8,886,382
Capital expenditure		
Total capital expenditure for reportable segments	**3,578,791**	2,560,014
Head office	**51,654**	1,366,511
Group's capital expenditure	**3,630,445**	3,926,525

18 SEGMENT INFORMATION (continued)

Reconciliation of reportable segment assets and liabilities

	At 30 June 2015 AED (Unaudited)	*At 31 December 2014 AED (Audited)*
Assets		
Total assets for reportable segments	**2,653,556,753**	2,901,166,915
Corporate assets	**807,206,885**	763,387,151
Elimination of intersegment receivables	**(705,333,047)**	(683,085,161)
Group's assets	**2,755,430,591**	2,981,468,905
Liabilities		
Total liabilities for reportable segments	**1,953,542,499**	2,164,536,349
Corporate liabilities	**18,096,809**	10,475,489
Elimination of intersegment payables	**(705,333,047)**	(683,085,161)
Group's liabilities	**1,266,306,261**	1,491,926,677

19 SEASONALITY OF RESULTS

The results for the six-month period ended 30 June 2015 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Management has concluded that this does not constitute "highly seasonal" as considered by IAS 34 Interim Financial Reporting.

20 COMPARATIVE INFORMATION

Effective 1 January 2014, the Group signed an understanding with existing non-controlling shareholder of Lindner Depa Interiors LLC and Lindner Middle East LLC whereby both parties share all interest (e.g. rights, title or ownership) in the assets, share all liabilities, obligations, costs and expenses relating to the entity, are liable for claims raised by third parties and share the profit or loss relating to the entities in proportion to the parties' ownership interest in the entities. Accordingly, the Group has lost its control on these two subsidiaries and considered to account for its interests in these entities as joint operations. The effect of de-consolidation in relation to loss of control over these entities was not reported in the interim condensed consolidated financial statements for six months period ended 30 June 2014. The effect of the result is as follows:

	As previously reported AED	***Restatement AED***	***As restated AED***
Statement of profit or loss			
Revenue	920,345,096	(43,037,706)	877,307,390
Direct cost	(802,380,128)	36,142,303	(766,237,825)
Gross profit	117,964,968	(6,895,403)	111,069,565
General and administrative expenses	(110,959,344)	2,131,651	(108,827,693)
Other income	32,130,878	472,152	32,603,030
Finance costs	(3,533,248)	392,947	(3,140,301)
Finance income	1,047,426	(135,701)	911,725
Profit before tax	36,685,328	(4,034,354)	32,650,974
Profit for the period	30,336,768	(4,034,354)	26,302,414

The impact of de-consolidation was duly reported in the results for the year ended 31 December 2014.

20 COMPARATIVE INFORMATION (continued)

Prior period figures shown in the interim consolidated statement of cash flows and interim consolidated statement of changes in equity have been restated, wherever necessary, to give effect of de-consolidation and to conform to the current presentation. The effect on interim consolidated statement of changes in equity due to loss of control over these entities is AED 25,964,519.

21 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved by management and authorised for issue on 26 August 2015.