Amanat

Amanat Holdings PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

Amanat

Directors' Report

The Board of Directors of Amanat Holdings PJSC (the "Company") are pleased to submit the consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2021, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the related notes.

Principal activities

The principal activities of the Company are to invest in companies and enterprises in the sectors of education and healthcare and manage, develop, and operate such companies and enterprises.

Transactions

In 2021 the Group executed transactions valued at AED 1.7 billion, comprising the 100% acquisition of Cambridge Medical and Rehabilitation Centre ("CMRC") in February 2021 and 100% of its Abu Dhabi facility's real estate in September 2021 for a total consideration of AED 926 million and the divestitures of the Group's 13.13% stake in International Medical Center KSA ("IMC") and 21.67% stake in Taaleem Holdings PJSC ("Taaleem") for AED 433.3 million and AED 349.4 million respectively.

As of 31 December 2021, Amanat is actively managing deployed capital of AED 2.4 billion across 8 investments, 7 of which are classified as either majority or influential stakes and had AED 878.0 million of available cash.

Financial Results

The Group recorded profit attributable to equity holders of the Company of AED 280.8 million for the financial year 2021, a twenty-eight-fold increase compared with the AED 10.1 million recorded in financial year 2020.

The results for the year were positively impacted by the profitable divestitures of Taaleem and IMC, which generated a gain on disposal of AED 202.9 million with 2021 transaction-related costs of AED 20.0 million.

The Group's result was further boosted by the acquisition of CMRC which delivered AED 61.1 million of net profit in the ten months from acquisition, with associated finance debt interest cost and purchase price amortization of AED 8.7 million and AED 3.4 million respectively.

Due to the delayed ramp-up of the Group's healthcare asset in the Kingdom of Bahrain, the Royal Hospital for Women and Children ("RHWC"), mainly attributable to COVID restrictions, the Group recorded a non-cash impairment charge of AED 20 million against goodwill. Whilst management believes it is early to assess the financial performance of an asset that remains in a ramp-up phase, based on prudence and in line with the requirements of International Accounting Standards an impairment was recognized.

Utilizing management's alternative performance measures, which exclude certain adjustments and transaction-related items, underlying net profit attributable to equity holders of the company was AED 103.4 million, a fourfold increase compared to AED 26.0 million recorded in 2020.

The organic growth across the Group's portfolio was driven by increasing utilization across its Healthcare platform and a combination of record enrollments and institutional contracts at the Education Platform in addition to operating cost efficiencies at a central and portfolio company level.

The Group recorded income from Abu Dhabi University Holding Company ("ADUHC") of AED 41.3 million in 2021, AED1.6 million higher than the prior year, on the back of further revenue growth, whilst income from the real-estate assets of North London Collegiate School Dubai ("NLCS") increased from AED 30.9 million in the prior year to AED 33.4 million in 2021, following the expansion of the school facilities and successful realignment of the lease repayment schedule in 2020. Performance at Middlesex University Dubai ("MDX") was stable year-on-year, with record enrollments driving 6% growth in net tuition revenue, offset by increased student acquisition and academic staff costs incurred to support future growth.

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At the Group's Healthcare platform, Sukoon's strategic turnaround resulted in a narrowing of losses to almost breakeven, a combination of the implementation of strategic cost-saving initiatives and a one-time receivable provision booked in the prior year. The Royal Hospital for Women and Children in Bahrain saw revenues increase more than twofold year-on-year, as the asset continues to ramp-up, recording losses of AED 17.3 million in 2021, down from AED 23.8 million in the prior year.

Amanat Holdings Head Office costs were AED 34.7 million, a reduction of 23% on the prior year as the Group targeted underlying savings and benefited from the positive impact of one-time items in 2021. Portfolio management costs further declined to AED 2.9 million, a saving of 44% year-on-year. Transaction-related expenses were AED 20.0 million, compared with AED 10.5 million, with the increase attributable to increased transaction activity costs in 2021.

Interest income was AED 5.4 million in 2021, compared to AED 9.5 million in 2020, a 43% decline due to lower interest rates and the deployment of the Group's cash reserves to acquire CMRC in February and later CMRC's Abu Dhabi real estate assets in September.

Total cash and bank balances stood at AED 878.0 million as of 31 December 2021 up from AED 530.6 million as at year-end 2020, providing the Company with deployable cash to pursue future investment opportunities aimed at further optimizing its current portfolio.

Total equity attributable to the owners of the company on 31 December 2021 amounted to AED 2.8 billion prior to the proposed dividend.

In accordance with the Articles of Association of the Company, 10% of profit for the year is transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. Accordingly, an amount of AED 28.1 million has been transferred to statutory reserve during the year. The statutory reserve is not available for distribution.

The Board of Directors of the Company has approved in the meeting held on 14 February 2022 the audited consolidated financial statements of the Group for the year ended 31 December 2021.

The Board has proposed a cash dividend of AED 6 fils per share or 53% of profit attributable to equity holders of the company, amounting to a total payout of AED 150 million, which is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

Outlook

In 2021 the Company's strategic objectives were to improve portfolio performance and profitability, optimize its capital structure and invest in yielding assets, all of which were delivered in 2021.

Going forward, Amanat's priorities will be to continue to drive further growth and profitability across its portfolio and in tandem, the Company will focus on capturing specialized opportunities in healthcare and education and expand its platforms as influential shareholders. The Company has a strong balance sheet to support its growth-phase ahead. Amanat is well-positioned to take advantage of the post-COVID-19 rebound and the changing market dynamics as it enters a new chapter of sustainable growth and value creation.

Amanat will continue to work to deliver strong returns for its shareholders through a carefully executed strategy centered on, delivering efficiencies, extracting maximum value from existing assets and executing synergistic acquisitions that complement the Company's platforms.

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Directors

Mr. Hamad Abdulla Alshamsi	Chairman
Dr. Shamsheer Vayalil	Vice Chairman
H.E. Hamad Rashed Nehail Al Nuaimi	Board Director
Mrs. Sara Khalil Nooruddin	Board Director
Mrs. Elham Al Qasim	Board Director
H.E. Dhafer Al Ahbabi	Board Director
Dr. Ali Saeed Bin Harmal Aldhaheri	Board Director

Auditors

Ernst & Young were appointed as external auditors for the Company for the year ended 31 December 2021.

On behalf of the Board

Hamad Abdulla Alshamsi - Chairman

Dubai, United Arab Emirates
14 February 2022

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amanat Holdings PJSC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2021. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

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

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
Impairment of goodwill and other intangible assets with indefinite life	
As stated in note 10 to the consolidated financial statements, the Group's consolidated statement of financial position includes AED 1,056,184 thousand of goodwill and other intangible assets with indefinite life, representing 30% of total Group assets. In accordance with IFRS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment, or whenever changes in circumstances or events indicate that the carrying amount of such intangible assets may not be recoverable. This is a key audit matter as determining whether the carrying values of goodwill and the other intangible assets with an indefinite life are recoverable requires management to make significant estimates concerning the expected future cash flows and associated discount rates and growth rates based on management's view of future business prospects.	We performed the following: • Checked the mathematical accuracy of the impairment models used for impairment testing, and the extraction of inputs from source documents; • Challenged the key assumptions used in the impairment model, including specifically the operating cash flow projections, discount rates, and terminal growth rates; • Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management; • Considered the sensitivity of the impairment testing model to changes in key assumptions; • For intangible assets with an indefinite life, other than goodwill, we review up to the date of issuance of these consolidated financial statements that no significant changes have occurred to the basis of recognition of such assets, and • Assessed the adequacy of the related disclosures in the consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

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

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
Purchase Price Allocation	
As outlined in note 10 to the consolidated financial statements, the Group acquired during the year 100% interest in CMRC Limited and its subsidiaries for a total consideration of AED 873,024 thousand and, with the support of an external independent specialist, completed a purchase price allocation involving the assessment of the fair values of the assets acquired and the liabilities assumed as of the date of acquisition in accordance with IFRS 3: *Business Combinations*. We considered the audit of accounting for the acquisition to be a key audit matter as this is a significant transaction during the year which required significant management judgement regarding the identification of intangible assets acquired, allocation of the purchase price to the identified assets and liabilities acquired, determination of the fair values of such assets and liabilities, and reasonableness of goodwill recognized thereon.	We performed the following: • Evaluated the timing and appropriateness of the accounting treatment and the consideration of the acquisition based on the contractual agreements; • Involved our internal specialists in assisting us in reviewing management's valuation methodologies and assessing the key assumptions and inputs used in measuring the fair value of the net identifiable assets, including discount rates, royalty rates, revenue and cash flow projections, and growth rates; • For the intangible asset with an indefinite life, other than goodwill, recognized, we reviewed the basis for recognition, including the external and our internal specialists' conclusions on the appropriateness of recognition and basis of calculation thereof; • Assessed the appropriateness of the useful lives determined by management for the separately identified intangible assets; • Assessed the competence, capabilities and objectivity of the external specialist involved in the valuation process; and • Assessed the adequacy of the related disclosures in the consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

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

Other Information
Other information consists of the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of the Management and the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

Report on Other Legal and Regulatory Requirements

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

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015, and the Articles of Association of the Company;

iii) The Company has maintained proper books of account;

iv) The financial information included in the Directors' report is consistent with the books of account of the Company;

v) The Group's investment in shares and stocks during the year ended 31 December 2021 is disclosed in Notes 10 and 12;

vi) Notes 10, 11 and 14 reflect material related party transactions and the terms under which they were conducted;

vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2021; and

viii) No social contributions were made by the Company during the year.

For Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration No. 690

14 February 2022

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	**2021** **AED'000**	2020 AED'000
Revenue	4	**412,872**	143,565
Direct costs	4	**(223,479)**	(80,884)
GROSS PROFIT		**189,393**	62,681
General, selling and administrative expenses	5	**(175,794)**	(122,914)
Impairment of goodwill	10	**(19,961)**	-
Other operating income	6	**3,408**	1,823
OPERATING LOSS		**(2,954)**	(58,410)
Share of results of associates	11	**52,533**	22,426
Gain on disposal of associates	11	**202,881**	-
Finance income	7	**38,877**	40,869
Finance costs	7	**(18,197)**	(5,322)
PROFIT/(LOSS) FOR THE YEAR		**273,140**	(437)
Attributable to:			
Equity holders of the Company		**280,831**	10,082
Non-controlling interests	27	**(7,691)**	(10,519)
		273,140	(437)
Basic and diluted earnings per share (AED)	22	**0.1124**	0.0040

Alternative Performance Measures

	Note	**2021** **AED'000**	2020 AED'000
Attributable to the equity holders of the Company			
Adjusted operating profit	30	**113,972**	19,313
Adjusted profit	30	**103,375**	25,978

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	***2021*** ***AED'000***	*2020* *AED'000*
PROFIT/(LOSS) FOR THE YEAR		**273,140**	(437)
Other comprehensive loss			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Loss on cash flow hedge	25	**(1,646)**	-
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(1,646)**	-
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Change in fair value of financial assets at FVOCI	12	**860**	(1,357)
Share of other comprehensive income of associates	11	**(17)**	633
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**843**	(724)
Total other comprehensive loss		**(803)**	(724)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**272,337**	(1,161)
Attributable to:			
Equity holders of the Company		**280,028**	9,358
Non-controlling interests		**(7,691)**	(10,519)
		272,337	(1,161)

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	2021 AED'000	2020 AED'000
ASSETS			
Non-current assets			
Property and equipment	8	**250,806**	128,302
Right-of-use assets	9	**117,828**	21,706
Goodwill and intangible assets	10	**1,210,555**	481,349
Investments in associates	11	**506,057**	1,069,755
Finance lease receivables	9	**382,832**	384,529
Financial assets at FVOCI	12	**33,828**	32,968
Total non-current assets		**2,501,906**	2,118,609
Current assets			
Inventories		**6,774**	2,279
Finance lease receivables	9	**37,986**	18,133
Trade and other receivables	13	**111,239**	28,834
Due from related parties	14	**8,079**	19,653
Cash and bank balances	15	**878,036**	530,555
Total current assets		**1,042,114**	599,454
TOTAL ASSETS		**3,544,020**	2,718,063
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**2,500,000**	2,500,000
Share premium	16	**2,877**	523
Treasury shares	16	**(12,711)**	(6,702)
Statutory reserve	17	**58,235**	30,152
Fair value reserve of financial assets at FVOCI		**(21,530)**	(22,390)
Cash flow hedge reserve	25	**(1,646)**	-
Other reserve	11	**(18,347)**	-
Retained earnings		**263,228**	10,497
Total equity attributable to the equity holders of the Company		**2,770,106**	2,512,080
Non-controlling interests	27	**(1,346)**	6,345
Total equity		**2,768,760**	2,518,425
LIABILITIES			
Non-current liabilities			
Financing from banks	18	**391,517**	54,582
Lease liabilities	9	**107,453**	22,421
Other long-term payable	19	**3,630**	3,821
Other financial liability	25	**1,646**	-
Due to a related party	14	**4,013**	4,013
Provision for employees' end of service benefits	20	**22,814**	9,609
Total non-current liabilities		**531,073**	94,446
Current liabilities			
Bank overdraft	15	**21,072**	14,105
Financing from banks	18	**51,911**	7,792
Lease liabilities	9	**16,788**	210
Accounts and other payables	21	**119,356**	55,155
Contract liabilities	4	**33,843**	27,129
Due to related parties	14	**1,217**	801
Total current liabilities		**244,187**	105,192
Total liabilities		**775,260**	199,638
TOTAL EQUITY AND LIABILITIES		**3,544,020**	2,718,063

These consolidated financial statements were approved by the Board of Directors on 14 February 2022 and signed by:

Mr. Hamad Abdulla Alshamsi
Chairman

Dr. Mohamad Hamade
Chief Executive Officer

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to the equity holders of the Company										
	Share capital AED'000	*Share Premium AED'000*	*Treasury shares AED'000*	*Statutory reserve AED'000*	*Fair value reserve of financial assets at FVOCI AED'000*	*Cash flow hedge reserve AED'000*	*Other reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total AED'000*
As at 1 January 2020	2,500,000	-	-	29,144	(21,033)	-	-	55,790	2,563,901	16,864	2,580,765
Profit/(loss) for the year	-	-	-	-	-	-	-	10,082	10,082	(10,519)	(437)
Other comprehensive (loss)/income	-	-	-	-	(1,357)	-	-	633	(724)	-	(724)
Total comprehensive (loss)/income	-	-	-	-	(1,357)	-	-	10,715	9,358	(10,519)	(1,161)
Treasury shares (Note 16)	-	523	(6,702)	-	-	-	-	-	(6,179)	-	(6,179)
Transfer to statutory reserve (Note 17)	-	-	-	1,008	-	-	-	(1,008)	-	-	-
Dividends (Note 23)	-	-	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
As at 31 December 2020	2,500,000	523	(6,702)	30,152	(22,390)	-	-	10,497	2,512,080	6,345	2,518,425
Profit/(loss) for the year	-	-	-	-	-	-	-	280,831	280,831	(7,691)	273,140
Other comprehensive (loss)/income	-	-	-	-	860	(1,646)	-	(17)	(803)	-	(803)
Total comprehensive (loss)/income	-	-	-	-	860	(1,646)		280,814	280,028	(7,691)	272,337
Treasury shares (Note 16)	-	2,354	(6,009)	-	-	-	-	-	(3,655)	-	(3,655)
Transfer to statutory reserve (Note 17)	-	-	-	28,083	-	-	-	(28,083)	-	-	-
Associate's acquisition of non-controlling interests (Note 11)	-	-	-	-	-	-	(18,347)	-	(18,347)	-	(18,347)
As at 31 December 2021	**2,500,000**	**2,877**	**(12,711)**	**58,235**	**(21,530)**	**(1,646)**	**(18,347)**	**263,228**	**2,770,106**	**(1,346)**	**2,768,760**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	*2021* *AED'000*	*2020* *AED'000*
OPERATING ACTIVITIES			
Profit/(loss) for the year		**273,140**	(437)
Adjustments:			
Share of results of associates	11	**(52,533)**	(22,426)
Gain on disposal of associates	11	**(202,881)**	-
Dividend income	6	**(1,179)**	(993)
Depreciation of property and equipment	8	**22,127**	12,308
Depreciation of right-of-use assets	9	**11,265**	7,806
Amortization of intangible assets	10	**7,864**	4,500
Loss on disposal of property and equipment		**42**	614
Allowance for expected credit losses	13	**6,939**	4,088
Provision for employees' end of service benefits	20	**6,594**	2,886
Allowance for credit loss on lease receivables	9	-	2,660
Impairment of goodwill	10	**19,961**	-
Finance income	7	**(38,877)**	(40,869)
Finance costs	7	**18,197**	5,322
		70,659	(24,541)
Inventories		**(166)**	(1,859)
Trade and other receivables		**(18,588)**	(1,296)
Due from related parties		**11,574**	90
Accounts and other payables and contract liabilities		**31,137**	20,347
Due to related parties		**416**	1,567
Cash from/(used in) operations		**95,032**	(5,692)
Employees' end of service benefits paid	20	**(3,416)**	(1,236)
Net cash flows from/(used in) operating activities		**91,616**	(6,928)
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	**(71,326)**	(6,291)
Acquisition of a subsidiary, net of cash acquired	10	**(854,887)**	-
Settlement of deferred consideration		**(2,450)**	-
Proceeds from disposal of associates	11	**782,686**	-
Investment in finance lease	9	**(302)**	(22,633)
Lease payments received	9	**15,594**	13,394
Changes in Sharia compliant term deposits		**(520,410)**	275,779
Changes in bank term deposits		**(119,107)**	57,999
Interest received on Sharia compliant term deposits		**2,473**	7,268
Other interest received		**2,503**	1,921
Dividend received from associates		**22,370**	47,943
Reduction of capital received from an associate		-	19,950
Dividend received from financial assets at FVOCI		**1,179**	1,318
Investment in financial assets at FVOCI		-	(18,609)
Settlement of financial liability at FVTPL		-	(27,850)
Net cash flows (used in)/from investing activities		**(741,677)**	350,189
FINANCING ACTIVITIES			
Dividend paid to equity holders of the Company	23	-	(55,000)
Proceeds from bank financing, net of processing fee		**410,943**	5,222
Repayment of bank financing		**(30,375)**	-
Acquisition of treasury shares, net		**(3,655)**	(6,179)
Change in other cash balance		**4,642**	(14,848)
Payment of lease liabilities	9	**(14,943)**	(4,791)
Finance costs paid		**(10,912)**	(3,987)
Net cash flows from/(used in) financing activities		**355,700**	(79,583)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(294,361)**	263,678
Cash and cash equivalents at 1 January		**391,116**	127,438
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**96,755**	391,116

The attached notes 1 to 30 form part of these consolidated financial statements.

1 CORPORATE INFORMATION

Amanat Holdings PJSC ("the Company") was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company listed on the Dubai Financial Market under the UAE Federal Law No. (2) of 2015. The registered office of the Company is One Central The Offices 5, Level 1 Unit 107 and 108, Dubai, United Arab Emirates.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2022. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

The principal activities of the Company are to invest in companies and enterprises in the fields of education and healthcare as well as managing, developing and operating such companies and enterprises. The Company may participate or have an interest in any manner in other companies, entities or institutions outside the United Arab Emirates.

These consolidated financial statements include the financial performance and position of the Company and its operating subsidiaries as listed below (collectively the "Group").

Name	**Equity interest**		**Country of incorporation**	**Principal activities**
	2021	*2020*		
WMCE Company W.L.L. ("WMCE")*	***49.69%***	*49.69%*	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Maternity Holding Company Ltd. ("MHC")*	***74.13%***	*74.13%*	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Royal Hospital for Women and Children W.L.L. ("RHWC")*	***69.24%***	*69.24%*	Kingdom of Bahrain	Hospital and healthcare facilities in Kingdom of Bahrain
Middlesex Associates FZ-LLC ("Middlesex University")	***100%***	*100%*	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates
CMRC Limited ("CMRC")	***100%***	-	Cyprus	Holding company
Cambridge Medical & Rehabilitation Centre LLC** ("CMRC UAE")	***100%***	-	United Arab Emirates	Healthcare services
CMRC Saudi Arabia LLC** ("CMRC KSA")	***100%***	-	Kingdom of Saudi Arabia	Healthcare services
TVM KSA Acquisition 1 Limited**	***100%***	-	Cyprus	Holding company

* Investment in RHWC is held via Maternity Holding Company Ltd. and WMCE.

** Investments in these subsidiaries are held via CMRC Limited.

The Group holds numerous other subsidiaries that are non-operational and mainly represent investment vehicles.

1 CORPORATE INFORMATION (continued)

The Group has interests in the following associates as disclosed further in Note 11:

Name	Equity interest		Country of incorporation	Principal Activities
	2021	*2020*		
Sukoon International Holding Company	***33.25%***	*33.25%*	Kingdom of Saudi Arabia	Long-term and critical healthcare
Taaleem Holdings PrJSC (Previously Madaares PrJSC)	-	*21.67%*	United Arab Emirates	Leading education provider
International Medical Center	-	*13.13%*	Kingdom of Saudi Arabia	Hospital and healthcare facilities
Abu Dhabi University Holding LLC	***35%***	*35%*	United Arab Emirates	Leading tertiary education provider

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVOCI and other financial liabilities that have been measured at fair value. The consolidated financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest thousand (AED'000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

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

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and goodwill

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

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

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

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

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

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

b) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments in associates (continued)

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of results of associates' in the statement of profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, at fair value at each balance sheet date.

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
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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.

The Group 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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group 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.

e) Revenue

The Group is in the business of providing healthcare and education services. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Tuition fees
Revenue from tuition fees is recognised over time over the period in which the students are studying and is reduced by scholarships awarded to students during that period.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue (continued)

Healthcare services

Revenue from healthcare services related to in-patient rehabilitation is recognised over time on a straight-line basis, reflective of the fact that the customer simultaneously receives and consumes the benefits from such services provided to them. All other healthcare services are recognised at the point in time when the services are rendered.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (l) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (l) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.

g) Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currencies (continued)

Transactions and balances (continued)
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

h) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of United Arab Emirates, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

i) Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

➢ Buildings	10 to 20 years
➢ Medical equipment	5 to 15 years
➢ Academic equipment	3 years
➢ Furniture and Fixtures	7 years
➢ Other assets	3 to 7 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

➢ Buildings and offices	3 to 10 years
➢ Land	45 years
➢ Vehicles	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Leases (continued)

Group as a lessor
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

At the commencement of a finance lease term, the Group records a finance lease receivable in the consolidated statement of financial position at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting the constant periodic rate of return on the lessor's net investment in the finance lease.

An operating lease is a lease other than a finance lease. Rental income arising 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 due to its non-operating nature.

k) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Subsequent measurement
Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and due from related parties.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed and unquoted equity investments under this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Impairment (continued)
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, lease liabilities, due to related parties and loans and borrowings.

Subsequent measurement

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated a contingent consideration for the acquisition of a subsidiary as a financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Cash and term deposits

Cash and term deposits in the consolidated statement of financial position comprise cash at banks and on hand and term deposits with a maturity of more than three months.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

q) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group's intangible assets with finite lives acquired through business combinations relate to an Agreement amortised over its useful economic life of 30 years and a Brand Name amortised over its useful economic life of 10 years (Refer to Note 10 for further details).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses interest rate swap contracts as hedges of its exposure to interest rate risk in relation to its variable interest-bearing financing from banks. The ineffective portion, if any, relating to interest rate swap contracts is recognised as expense.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.
If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Standards issued but not yet effective
There are several standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements and are not expected to have any significant impact on the Group's consolidated financial statements when they become effective, and accordingly, have not been listed in these consolidated financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

Property lease classification – Group as lessor

The Group has entered into a lease of a school building complex. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments amounting to substantially all of the fair value of the commercial property, that it does not retain substantially all the risks and rewards incidental to ownership of these properties and accounts for the contract as finance lease.

Significant influence over an associate

Prior to the disposal of its associate in the current year, the Group had concluded that it had significant influence over International Medical Center ("IMC") even though it held less than 20 per cent of the voting rights of the entity. The Group held 13.13% shareholding in the associate. Based on this shareholding and the Group's representation on the Board of Directors and Executive Committee of IMC, the Group had concluded that it exercised significant influence over the investee.

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

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

The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal periods as part of the lease term for leases of campus building and offices with shorter remaining non-cancellable period (i.e., one year). The Group typically exercises its option to renew these leases because there will be a significant negative effect on the business if a replacement asset is not readily available and with significant costs to be incurred. The renewal periods for leases of land, buildings with longer remaining non-cancellable periods (i.e., 7 to 40 years from the reporting date) are not included part of the lease terms as they are not reasonably certain to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Fair value measurement of financial instruments
Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (see Note 10 for details).

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

Allowance for expected credit losses of fee receivables
The Group uses a provision matrix to calculate ECLs for fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 25.5.

4 REVENUE

4.1 Disaggregated revenue and cost information

Education revenue is related to services rendered in the United Arab Emirates while Healthcare revenue is related to services rendered in the United Arab Emirates, Kingdom of Bahrain, and the Kingdom of Saudi Arabia.

	For the year ended 31 December 2021		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Type of goods or service			
Tuition fees, net of scholarship awarded	**135,126**	**-**	**135,126**
Administrative and other service fees from students	**1,865**	**-**	**1,865**
Healthcare and medical services	**-**	**275,881**	**275,881**
Total revenue	**136,991**	**275,881**	**412,872**

4 REVENUE (continued)

4.1 Disaggregated revenue and cost information (continued)

	For the year ended 31 December 2021		
Segments	***Education AED'000***	***Healthcare AED'000***	***Total AED'000***
Timing of revenue recognition			
Services transferred over time	**136,514**	**226,643**	**363,157**
Services transferred at a point in time	**477**	**49,238**	**49,715**
Total revenue	**136,991**	**275,881**	**412,872**
Direct costs	**(59,734)**	**(163,745)**	**(223,479)**

	For the year ended 31 December 2020		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Type of goods or service			
Tuition fees, net of scholarship awarded	127,833	-	127,833
Accommodation fee	3,081	-	3,081
Administrative and other service fees from students	642	-	642
Healthcare and medical services	-	12,009	12,009
Total revenue	131,556	12,009	143,565
Timing of revenue recognition			
Services transferred over time	131,380	-	131,380
Services transferred at a point in time	176	12,009	12,185
Total revenue	131,556	12,009	143,565
Direct costs	(59,634)	(21,250)	(80,884)

4.2 Contract balances

	2021 AED'000	*2020 AED'000*
Trade receivables, net (Note 13)	**85,898**	11,991
Contract liabilities (see below)	**33,843**	27,129

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days from the date of service. In 2021, AED 6,939 thousand was recognised as allowance for expected credit losses on trade receivables (2020: AED 4,088 thousand).

Contract liabilities

Contract liabilities comprise fees collected in advance from students, deferred revenue in relation to educational services and advances received from patients that are short-term in nature.

4 REVENUE (continued)

4.3 Performance obligations

Information about the Group's performance obligations are summarised below:

Education services
The performance obligation is satisfied over time on a straight-line basis over the period of the course that students are enrolled in and payment is generally due within 30 days of the invoice or based on an agreed payment plan.

Healthcare services
The performance obligation for in-patient services of CMRC is satisfied over time on a straight-line because the customer simultaneously receives and consumes the benefits provided to them and payment is generally due between 0 and 90 days from invoice date.

The performance obligation of other healthcare services is satisfied at a point in time when the service is rendered and payment is generally due between 0 and 90 days from invoice date.

4.4 Direct costs

	2021 ***AED'000***	*2020* *AED'000*
Salaries and employee related costs	**126,092**	48,326
Medical consumables, equipment and other related costs	**39,888**	1,923
Royalty and profit-sharing arrangements for academic services	**18,100**	15,149
Depreciation of property and equipment (Note 8)	**12,619**	1,077
Leases (Note 9)	**7,185**	11,210
Depreciation of right-of-use assets (Note 9)	**5,426**	-
Student related expenses	**2,118**	2,032
Other direct costs	**12,051**	1,167
	223,479	80,884

5 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

General, selling and administrative expenses mainly include the following:

	2021 ***AED'000***	*2020* *AED'000*
Salaries and employee related expenses	**91,331**	41,764
Marketing and communications	**10,185**	6,909
Depreciation of property and equipment (Note 8)	**9,508**	11,231
Amortization of intangible assets (Note 10)	**7,864**	4,500
Credit losses expense (Note 13)	**6,939**	4,088
Legal and professional fees	**6,133**	4,775
Depreciation of right-of-use assets (Note 9)	**5,839**	7,806
Transaction related expenses	**2,957**	10,512
Portfolio management expenses	**2,948**	5,308
Board remuneration	**6,301**	2,293
Leases (Note 9)	**1,711**	4,418
Management fees	**158**	3,376

6 OTHER OPERATING INCOME

	2021 *AED'000*	*2020* *AED'000*
Dividend income from financial asset at FVOCI	**1,179**	993
Other income	**2,229**	830
	3,408	1,823

7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	2021 *AED'000*	*2020* *AED'000*
Finance lease income (Note 9)	**33,448**	30,860
Income on term deposits*	**5,429**	9,498
Other	-	511
	38,877	40,869

* Includes income on Sharia compliant deposits of AED 3,910 thousand and income on non-Sharia compliant deposits of AED 1,519 thousand (2020: AED 6,245 thousand and AED 3,253 thousand, respectively).

7.2 Finance costs

	2021 *AED'000*	*2020* *AED'000*
Finance costs on financing from banks	**12,039**	3,747
Finance costs on bank overdraft	**817**	241
Amortization of loan arrangement fees (Note 18)	**485**	-
Finance costs on lease liabilities (Note 9)	**4,856**	1,334
	18,197	5,322

8 PROPERTY AND EQUIPMENT

	Land and buildings (1) AED'000	*Leasehold improvements AED'000*	*Medical equipment AED'000*	*Academic equipment AED'000*	*Furniture & fixtures AED'000*	*Other assets AED'000*	*Capital work in progress AED'000*	*Total AED'000*
Cost:								
At 1 January 2020	121,427	7,135	5,141	6,833	3,076	9,173	-	152,785
Additions	174	208	4,020	904	183	802	-	6,291
Write-off	-	(2,370)	-	-	-	-	-	(2,370)
At 31 December 2020	121,601	4,973	9,161	7,737	3,259	9,975	-	156,706
Additions	53,116	8,586	3,949	879	1,682	2,415	699	71,326
Acquisition of a subsidiary (Note 10)	-	72,995	33,149	-	7,264	12,244	213	125,865
Disposals		-	(1,692)	-	(458)	(507)	-	(2,657)
Transfers	-	112	207	-	51	7	(377)	-
At 31 December 2021	**174,717**	**86,666**	**44,774**	**8,616**	**11,798**	**24,134**	**535**	**351,240**
Accumulated depreciation:								
At 1 January 2020	4,539	3,737	424	4,271	1,260	3,621	-	17,852
Charge for the year (2)	6,092	1,052	1,075	918	480	2,691	-	12,308
Write off	-	(1,756)	-	-	-	-	-	(1,756)
At 31 December 2020	10,631	3,033	1,499	5,189	1,740	6,312	-	28,404
Acquisition of a subsidiary (Note 10)	-	22,947	18,482		4,929	6,160	-	52,518
Charge for the year (2)	6,731	5,408	5,508	879	1,122	2,479	-	22,127
Disposals	-	-	(1,676)	-	(435)	(504)	-	(2,615)
At 31 December 2021	**17,362**	**31,388**	**23,813**	**6,068**	**7,356**	**14,447**	**-**	**100,434**
Net carrying amounts:								
At 31 December 2021	**157,355**	**55,278**	**20,961**	**2,548**	**4,442**	**9,687**	**535**	**250,806**
At 31 December 2020	110,970	1,940	7,662	2,548	1,519	3,663	-	128,302

8 PROPERTY AND EQUIPMENT (continued)

(1) Land and buildings comprise the following:

- A building constructed on long-term leasehold land in Bahrain with a carrying amount of AED 105,003 thousand (2020: AED 110,970 thousand).
- During the year the Group entered into a sale and purchase agreement to acquire the previously leased Abu Dhabi hospital land and buildings of Cambridge Medical and Rehabilitation Center LLC, a subsidiary of the Group, for a total consideration of AED 53 million. The acquisition value has been allocated to land and buildings in the amount of AED 7.1 million and AED 45.9 million, respectively, in accordance with a valuation performed by a third party certified independent valuer.

(2) Depreciation charge for the year has been allocated to profit or loss as follows:

	2021 ***AED'000***	*2020* *AED'000*
Direct costs (Note 4.4)	**12,619**	1,077
General and administrative expenses (Note 5)	**9,508**	11,231
	22,127	12,308

9 LEASES

9.1 Group as lessee

The Group has lease contracts for land, buildings, offices and vehicles. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of residential units and offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land ***AED'000***	***Buildings and offices*** ***AED'000***	***Vehicles*** ***AED'000***	***Properties Total*** ***AED'000***
As at 1 January 2020	17,937	7,214	-	25,151
Additions	-	4,361	-	4,361
Depreciation	(430)	(7,376)	-	(7,806)
As at 31 December 2020	17,507	4,199	-	21,706
Acquisition of a subsidiary (Note 10)	-	65,478	317	65,795
Additions	-	59,567	100	59,667
Derecognition (1)	-	(18,075)	-	(18,075)
Depreciation	(429)	(10,647)	(189)	(11,265)
As at 31 December 2021	**17,078**	**100,522**	**228**	**117,828**

9 LEASES (continued)

9.1 Group as lessee (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 *AED'000*	*2020* *AED'000*
As at 1 January	**22,631**	21,727
Acquisition of a subsidiary (Note 10)	**71,250**	-
Additions	**59,667**	4,361
Derecognition (1)	**(19,220)**	-
Accretion of interest (Note 7.2)	**4,856**	1,334
Payments	**(14,943)**	(4,791)
As at 31 December	**124,241**	22,631
Current	**16,788**	210
Non-current	**107,453**	22,421

(1) On 9 September 2021, following the acquisition of the previously leased Abu Dhabi hospital land and buildings of Cambridge Medical and Rehabilitation Center LLC, the related right-of-use asset and leases liabilities were derecognised.

The maturity analysis of lease liabilities are disclosed in Note 25.5.

The following are the amounts recognised in profit or loss:

	2021 *AED'000*	*2020* *AED'000*
Depreciation expense of right-of-use assets - direct (Note 4.4)	**5,426**	-
Depreciation expense of right-of-use assets - indirect (Note 5)	**5,839**	7,806
Interest expense on lease liabilities (Note 7.2)	**4,856**	1,334
Expense relating to short-term leases – direct (Note 4.4)	**7,185**	11,210
Expense relating to short-term leases – indirect (Note 5)	**1,711**	4,418
Total amount recognised in profit or loss	**25,017**	24,768

The Group had total cash outflows for leases of AED 14,943 thousand in 2021 (2020: AED 4,791 thousand). The Company had non-cash additions to right-of-use assets and lease liabilities of AED 59,667 thousand (2020: AED 4,361 thousand). There are no leases that have not yet commenced at the reporting date.

The Group does not have lease contracts that contain variable payments.

The Group's lease contracts contain extension and termination options, which are further discussed in note 3.

9.2 Group as lessor

In 2018, the Group entered into a sale purchase agreement to acquire a school building complex from a third party for a total consideration of AED 360 million. Subsequently, the Group (acting as the lessor), entered into another agreement with the same third party to lease the school building for a period of 25 years, renewable for a period of 5 years based on mutual consent of both parties. The Group accounted for this transaction as a finance lease as per IAS 17. Given that lessor accounting under IFRS 16 is substantially unchanged from IAS 17, the Group continues to classify this lease as finance lease using similar principles as in IAS 17.

9 LEASES (continued)

9.2 Group as lessor (continued)

Transaction costs amounting to AED 15 million are capitalised as part of the net investment in the lease. The net investment in the lease represents the present value of minimum lease payments discounted at the implicit lease rate and is recorded net of any advance lease instalments received by the Group.

The lease agreement contains put and call options for the lessor and lessee, respectively, giving the lessor the option to sell and the lessee the option to buy the underlying property at a pre-determined exercise price within a contractually agreed time frame starting in 2024 for 18 months.

During the year, the Group extended AED 0.3 million (2020: AED 22.6 million) additional financing to the lessee towards the expansion of the leased asset, which aggregates to AED 32.9 million (2020: AED 32.6 million) out of a total contractual financing limit of AED 45 million as per the original lease agreement. Management is not currently aware of any intention by the lessee to expand the leased asset in the foreseeable future.

In 2020 the Company agreed to the lessee's request to reschedule the lease payments effective 26 December 2020 with no change to the lease term, the effective interest rate, and the net present value of the future contractual lease payments at the effective date of the rescheduling. Accordingly, the two parties agreed to defer payments that were due in December 2020 and June 2021 whereby the lease payments resumed in September 2021. The amended agreement, including the revised repayment schedule, was signed by the parties during the current year. As per the terms of the revised agreement, the lease receivables are secured against corporate and personal guarantees of the lessee's shareholders and ultimate shareholders as well as a pledge over 25.1% of the shares of the lessee.

At 31 December 2021, the Group performed an ECL assessment of its lease receivables and concluded that no further allowance for credit losses is required to be recognised (2020: AED 2,660 thousand) (refer Note 25).

The following table provides the movement in finance lease receivables:

	2021 AED'000	*2020 AED'000*
At 1 January	**402,662**	365,223
Additional financing towards the expansion of the leased asset	**302**	22,633
Lease payments received	**(15,594)**	(13,394)
Finance lease income (Note 7.1)	**33,448**	30,860
Allowance for credit loss	-	(2,660)
At 31 December	**420,818**	402,662

The maturity profile of the gross and net finance lease receivables is as follows:

Gross investment in finance lease receivable

	2021 AED'000	*2020 AED'000*
Less than one year	**42,367**	22,015
Between one and five years	**204,706**	165,024
More than five years	**672,816**	748,533
	919,889	935,572
Unearned finance income	**(496,411)**	(530,250)
Allowance for credit loss	**(2,660)**	(2,660)
Net investment in finance lease receivable	**420,818**	402,662

9 LEASES (continued)

9.2 Group as lessor (continued)

Net investment in finance lease receivable

	2021 AED'000	*2020 AED'000*
Less than one year	**37,986**	18,133
Between one and five years	**154,752**	128,647
More than five years	**228,080**	255,882
	420,818	402,662
Current	**37,986**	18,133
Non-current	**382,832**	384,529

10 BUSINESS COMBINATIONS

Intangible assets acquired through business combinations are as follows:

	Goodwill AED'000	*Agreement with definite useful life (1) AED'000*	*Agreement with indefinite useful life (3) AED'000*	*Brand name with definite useful life (3) AED'000*	*Total AED'000*
Cost:					
At 1 January 2020	358,782	133,300	-	-	492,082
At 31 December 2020	358,782	133,300	-	-	492,082
Acquisition of a subsidiary (3)	156,496	-	560,867	39,668	757,031
At 31 December 2021	**515,278**	**133,300**	**560,867**	**39,668**	**1,249,113**
Amortisation and impairment:					
At 1 January 2020	-	6,233	-	-	6,233
Amortisation (Note 5)	-	4,500	-	-	4,500
At 31 December 2020	-	10,733	-	-	10,733
Amortisation (Note 5)	-	4,500	-	3,364	7,864
Impairment (4)	19,961	-	-	-	19,961
At 31 December 2021	**19,961**	**15,233**	**-**	**3,364**	**38,558**
Carrying amounts					
At 31 December 2021	**495,317**	**118,067**	**560,867**	**36,304**	**1,210,555**
At 31 December 2020	358,782	122,567	-	-	481,349

10 BUSINESS COMBINATIONS (continued)

Goodwill arising on business combinations is related to the following cash generating units:

	2021	*2020*
	AED'000	*AED'000*
Middlesex University (1)	**276,770**	276,770
Royal Hospital for Women and Children (2)	**62,051**	82,012
CMRC Limited (3)	**156,496**	-
	495,317	358,782

(1) Middlesex Associates FZ-LLC

On 2 August 2018, the Group acquired 100% of the shares and voting interests in Middlesex Associates FZ-LLC ("Middlesex University") for a total consideration of AED 418,902 thousand.

Fair value measurement

Management had engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby a separately identifiable intangible asset was identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to have a fair value of AED 133,300 thousand at the acquisition date and a useful life of 30 years from the date of acquisition. Accordingly, AED 133,300 thousand was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of AED 276,770 thousand at acquisition comprising the value of expected synergies arising from the acquisition.

(2) Royal Hospital for Women and Children W.L.L

On 16 August 2018, the Group acquired 69.24% of the shares and voting interests in Royal Hospital for Women and Children W.L.L ("RHWC") for a total cash consideration of AED 142,107 thousand.

Fair value measurement

Management had engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3, whereby no separately identifiable assets had been identified and the entire difference between the total consideration and identified net assets at the date of acquisition of AED 82,012 thousand was accounted for as goodwill comprising the value of expected synergies arising from the acquisition.

(3) CMRC Limited

On 28 February 2021, the Group acquired 100% of the voting shares in CMRC Limited ("CMRC"), an unlisted holding company based in Cyprus with a 100% shareholding in three subsidiaries: Cambridge Medical & Rehabilitation Centre LLC that provides healthcare services in the United Arab Emirates, CMRC Saudi Arabia LLC that provides healthcare services in Saudi Arabia, and TVM KSA Acquisition 1 Limited, a holding company. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of CMRC for the ten-month period from the acquisition date.

From the date of acquisition, CMRC has contributed AED 245,573 thousand of revenue and AED 61,114 thousand to the profit of the Group. If the acquisition had taken place at the beginning of the year, the contributed revenue would have been AED 292,243 thousand and the contributed profit for the year would have been AED 70,335 thousand (excluding transaction related costs).

Transaction costs of AED 2,628 thousand have been expensed in the year 2020 and are included in Administrative expenses in the consolidated statement of profit or loss for the year ended 2020 and are part of operating cash flows in the consolidated statement of cash flows for the year ended 2020.

10 BUSINESS COMBINATIONS (continued)

(3) CMRC Limited (continued)

Consideration transferred

The Group acquired CMRC for an initial consideration of AED 863,953 thousand in addition to deferred consideration of AED 7,350 thousand, out of which AED 2,450 thousand was settled as of 31 December 2021 (Note 21). During the fourth quarter of 2021, the Group remeasured the total consideration required to be paid to the previous shareholders of CMRC in accordance with the terms of the sale and purchase agreement, and accordingly, additional consideration of AED 1,721 thousand was identified and paid by the Group.

Fair value measurement

The fair value of the assets and liabilities of CMRC Limited had been measured on a provisional basis at the date of acquisition. During the last quarter of 2021, management engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby separately identifiable intangible assets have been identified in relation to an indefinite agreement with an insurance provider with an acquisition-date estimated fair value of AED 560,867 thousand as well as brand name with an acquisition-date estimated fair value of AED 39,668 thousand and an expected useful life of 10 years. Accordingly, AED 600,535 thousand was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of AED 156,496 thousand at acquisition including the additional consideration and comprising the value of expected synergies arising from the acquisition.

The fair values of the identifiable assets and liabilities of CMRC as at the date of acquisition were as follows:

	AED'000
Assets	
Property and equipment	73,347
Right-of-use assets	65,795
Cash	10,787
Inventories	4,329
Trade and other receivables	70,302
	224,560
Liabilities	
Accounts and other payables	(27,290)
Lease liabilities	(71,250)
Provision for employees' end of service benefits	(10,027)
	(108,567)
Total identifiable net assets at fair value	**115,993**
Goodwill and other intangible assets arising on acquisition	**757,031**
Deferred consideration	**(7,350)**
Additional consideration paid	**(1,721)**
Purchase consideration transferred	**863,953**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	10,787
Cash paid	(863,953)
Net cash flow on acquisition	**(853,166)**

10 BUSINESS COMBINATIONS (continued)

(4) Goodwill impairment assessment

Middlesex Associates FZ-LLC
Management has performed an impairment test on goodwill as at 31 December 2021. The recoverable amount of the CGU has been determined at 31 December 2021 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 10.3% (2020: 11.0%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2.5% (2020: 2.0%). As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

Royal Hospital for Women and Children W.L.L
Management has performed an impairment test on goodwill as at 31 December 2021. The recoverable amount of the CGU of AED 59 million has been determined at 31 December 2021 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 11.2% (2020: 12.3%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 3% (2020: 1%). As a result of this analysis, management has recognised an impairment charge of AED 20 million in the current year against goodwill mainly attributable to the COVID restrictions which resulted in significantly delaying the ramp up phase of the hospital. The impairment charge is recorded within administrative expenses in the consolidated statement of profit or loss.

The calculation of value in use is most sensitive to the following assumptions:

CMRC Limited
Management has performed an impairment test on goodwill as at 31 December 2021. The recoverable amount of the CGU has been determined at 31 December 2021 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 12%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2.5%. As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

Revenue
Middlesex Associates FZ-LLC
Revenue is mainly determined based on the number of students enrolled at the university. Management took into consideration the growth in the student numbers in the past 3 years and applied estimates for future enrolments based on expected demand for the university's offerings and programs, both locally and internationally. A reasonable decrease of 5% to 10% in the expected number of students is not expected to result in any impairment to goodwill.

Royal Hospital for Women and Children W.L.L
Revenue is mainly determined based on the number of consultations, deliveries and surgeries at the hospital. Management took into consideration the growth in the number of services it provided from start of operations in April 2019 as well as market research and the future outlook of the industry in Bahrain and applied estimates based on expected demand for the hospital's services, both locally and regionally. A reasonable decrease of 5% to the expected number of consultations, deliveries and surgeries would result in further impairment to goodwill by AED 24,073 thousand.

CMRC Limited
Revenue is mainly determined based on the number of in-patients and out-patients of the hospitals. Management took into consideration the growth in the number of patients in the past 3 years and applied estimates for future expected patients and the future outlook of the industry and applied estimates based on expected demand for the hospitals' services, both in the UAE and KSA. A reasonable decrease of 5% in the expected number of patients is not expected to result in any impairment to goodwill.

10 BUSINESS COMBINATIONS (continued)

(4) Goodwill impairment assessment (continued)

Discount rate

Middlesex Associates FZ-LLC, Royal Hospital for Women and Children W.L.L and CMRC Limited

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. Any reasonable rise of 0.25% in the discount rate is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC and CMRC Limited but in further impairment of AED 5,261 thousand to goodwill related to Royal Hospital for Women and Children W.L.L.

EBITDA margin

Royal Hospital for Women and Children W.L.L

EBITDA margins have been mainly determined based on available information on comparable specialist hospitals in the region. Management has benchmarked the estimated EBITDA margins over the 5-year cash flow projections with regional women's health premium hospitals, taking into consideration the ramp up period of the hospital. A reasonable decrease of 0.5% in the expected EBIDTA margins would result in further impairment to goodwill by AED 4,238 thousand.

11 INVESTMENTS IN ASSOCIATES

The Group's investments in associates at 31 December are as follows:

	2021 ***AED'000***	*2020* *AED'000*
Sukoon International Holding Company (1)	**129,170**	129,474
Taaleem Holdings PrJSC (2)	**-**	184,174
International Medical Center (3)	**-**	381,700
Abu Dhabi University Holdings LLC (4)	**376,887**	374,407
	506,057	1,069,755

The movement in the investments in associates during the year is as follows:

	Year ended 31 December 2021				
	Sukoon ***AED'000***	***Taaleem*** ***AED'000***	***IMC*** ***AED'000***	***ADUHC*** ***AED'000***	***Total*** ***AED'000***
At 1 January 2021	**129,474**	**184,174**	**381,700**	**374,407**	**1,069,755**
Share of results	**(287)**	**5,473**	**10,786**	**41,327**	**57,299**
Amortization of PPA assets	-	**(500)**	**(1,266)**	**(3,000)**	**(4,766)**
Share of results in profit or loss	**(287)**	**4,973**	**9,520**	**38,327**	**52,533**
Share of other comprehensive income	**(17)**	**-**	**-**	**-**	**(17)**
Dividends	-	**-**	**(4,870)**	**(17,500)**	**(22,370)**
Disposal of associates (refer below)	-	**(189,147)**	**(386,350)**	-	**(575,497)**
Acquisition of non-controlling interests	-	-	-	**(18,347)**	**(18,347)**
At 31 December 2021	**129,170**	**-**	**-**	**376,887**	**506,057**

11 INVESTMENTS IN ASSOCIATES (continued)

	Year ended 31 December 2020				
	Sukoon AED'000	*Taaleem AED'000*	*IMC AED'000*	*ADUHC AED'000*	*Total AED'000*
At 1 January 2020	182,347	186,734	383,286	355,407	1,107,774
Share of results	(25,711)	10,316	4,404	39,704	28,713
Amortization of PPA assets	-	(1,500)	(1,787)	(3,000)	(6,287)
Share of results in profit or loss	(25,711)	8,816	2,617	36,704	22,426
Share of other comprehensive income	35	-	598	-	633
Dividends	-	(11,376)	(4,801)	(17,704)	(33,881)
Capital reduction (refer 1 below)	(27,197)	-	-	-	(27,197)
At 31 December 2020	129,474	184,174	381,700	374,407	1,069,755

(1) Sukoon International Holding Company ("Sukoon")

The Group has a 33.25% interest in Sukoon International Holding Company, which provides medical and healthcare services in Jeddah, KSA. Sukoon is a private entity that is not listed on any public exchange. The Group's interest in Sukoon is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in Sukoon:

	2021 AED'000	*2020 AED'000*
Current assets	**146,056**	173,304
Non-current assets	**156,403**	133,175
Current liabilities	**(53,487)**	(56,899)
Non-current liabilities	**(9,743)**	(9,438)
Equity	**239,229**	240,142
Group's share in net assets at 33.25% (2020: 33.25%)	**79,545**	79,849
Goodwill, intangible and other fair value adjustments	**61,692**	61,692
Elimination of profit on sale of IMC shares	**(19,851)**	(19,851)
Costs of acquisition capitalised	**5,064**	5,064
Amortisation of PPA assets	**(1,576)**	(1,576)
Other adjustments	**4,296**	4,296
Group's carrying amount of the investment	**129,170**	129,474

	2021 AED'000	*2020 AED'000*
Revenue	**83,846**	85,606
Loss and other comprehensive income for the year	**(862)**	(77,326)
Group's share of total comprehensive loss at 33.25% (2020: 33.25%)	**(287)**	(25,711)

11 INVESTMENTS IN ASSOCIATES (continued)

(1) Sukoon International Holding Company ("Sukoon") (continued)

In 2020, Sukoon International Holding Company reduced its share capital by AED 170.1 million without change in its ownership structure, out of which AED 84.7 million was utilised to absorb the accumulated losses of the associate and the remaining amount of AED 81.7 million was returned to the shareholders. The Group classified its share of the capital return of AED 27,197 thousand under due from related parties, out of which AED 19,273 thousand was received by the Group at the reporting date.

In 2020, the associate, based on a detailed assessment of its trade receivables identified an amount of AED 50,577 thousand whereby the expectations of recovery were determined to be remote. Accordingly, the amount was written off during 2020 out of which the Group's share was AED 16,817 thousand.

During the year, Sukoon's Ministry of Health license expired, and a renewal request has been submitted, which is under process by the Ministry of Health of the Kingdom of Saudi Arabia at the date of the issuance of these consolidated financial statements. Management of the Company has assessed that, based on the history of renewals of the license and the fact that Sukoon has all the required documentation in place, it is not expected that there will be any complications in the license renewal process, which is expected to be renewed during the first half of 2022.

(2) Taaleem Holdings PrJSC ("Taaleem")

During the year, the Group signed a sale and purchase agreement with Knowledge Fund Establishment for the sale of the Group's entire shareholding in Taaleem Holdings for a total cash consideration of AED 349,402 thousand, which was approved by the Board of Directors in its meeting dated 22 April 2021. The sale and purchase transaction was completed on 28 April 2021 whereby the investment in Taaleem has been disposed of and the difference between the carrying amount of the investment on the date of disposal and the sale consideration has been recorded as gain in profit or loss as follows:

	AED'000
Consideration received	**349,402**
Net carrying value of the investment at the date of disposal	**(189,147)**
	160,255

Prior to disposal, the Group had a 21.67% interest (2020: 21.67%) in Taaleem Holdings PrJSC, which is involved in providing educational services in the United Arab Emirates. Taaleem is a private entity that is not listed on any public exchange. The Group's interest in Taaleem is accounted for using the equity method in the consolidated financial statements up to the date of disposal. The following table illustrates the summarised financial information of the Group's investment in Taaleem:

	2021 AED'000	*2020 AED'000*
Current assets	-	212,856
Non-current assets, net of goodwill	-	1,036,273
Current liabilities	-	(276,878)
Non-current liabilities	-	(320,012)
Equity	-	652,239
Group's share in net assets at nil (2020: 21.67%)	-	141,340
Goodwill and intangibles at acquisition	-	45,071
Cost of acquisition capitalised	-	4,670
Amortisation of PPA assets	-	(6,907)
Group's carrying amount of the investment	-	184,174

11 INVESTMENTS IN ASSOCIATES (continued)

(2) Taaleem Holdings PrJSC ("Taaleem") (continued)

	2021 ***AED'000***	*2020* *AED'000*
Revenue*	**182,508**	478,699
Profit*	**25,256**	47,605
Group's share of profit at 21.67* (2020: 21.67%)	**5,473**	10,316

** from 1 January 2021 up to the date of disposal*

(3) International Medical Center ("IMC")

During the year, the Group signed a sale and purchase agreement with a private investor for the sale of the Group's entire shareholding in International Medical Center KSA ("IMC") for a total consideration of AED 433,284 thousand. The sale was approved by the Board of Directors on 14 August 2021.

The sale and purchase transaction was completed on 15 September 2021 whereby the investment in IMC has been disposed of and the difference between the carrying amount of the investment on the date of disposal and the sale consideration has been recorded as gain in profit or loss as follows:

	AED'000
Consideration received	**433,284**
Net carrying value of the investment at the date of disposal	**(386,350)**
Other expenses	**(4,308)**
	42,626

Prior to disposal, the Group had a 13.13% interest (2020: 13.13%) in International Medical Center, which is involved in providing healthcare services in Jeddah, KSA. IMC is a closed joint stock entity that is not listed on any public exchange.

The Group's interest in IMC was accounted for using the equity method in the consolidated financial statements up to the date of the disposal. The following table illustrates the summarised financial information of the Group's investment in IMC:

	2021 ***AED'000***	*2020* *AED'000*
Current assets	-	616,091
Non-current assets	-	861,806
Current liabilities	-	(335,835)
Non-current liabilities	-	(204,398)
Equity	-	937,664
Group's share in net assets at nil (2020: 13.13%)	-	123,151
Goodwill, intangible and other fair value adjustments	-	262,425
Costs of acquisition capitalised	-	3,283
Amortisation of PPA assets	-	(7,159)
Group's carrying amount of the investment	-	381,700

11 INVESTMENTS IN ASSOCIATES (continued)

(3) International Medical Center ("IMC") (continued)

	2021 *AED'000*	*2020* *AED'000*
Revenue*	**936,788**	1,202,941
Profit and other comprehensive income*	**82,168**	33,542
Group's share of total comprehensive income at 13.13%* (2020: 13.13%)	**10,786**	4,404

** from 1 January 2021 up to the date of disposal*

(4) Abu Dhabi University Holding LLC ("ADUHC")

The Group has a 35% interest in Abu Dhabi University Holding LLC, acquired on 6 March 2018. ADUHC is involved in providing university educational services in Abu Dhabi, United Arab Emirates. ADUHC is a private entity that is not listed on any public exchange. The Group's interest in ADUHC is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in ADUHC:

	2021 *AED'000*	*2020* *AED'000*
Current assets	**216,550**	211,568
Non-current assets	**924,625**	932,155
Current liabilities	**(191,477)**	(180,571)
Non-current liabilities	**(242,999)**	(284,595)
Non-controlling interests	**-**	12,487
Equity attributable to the owners of ADUHC	**706,699**	691,044
Group's share in net assets at 35% (2020: 35%)	**247,345**	241,865
Goodwill and intangibles at acquisition	**131,194**	131,194
Costs of acquisition capitalised	**9,380**	9,380
Amortization of PPA assets	**(11,032)**	(8,032)
Group's carrying amount of the investment	**376,887**	374,407

	2021 *AED'000*	*2020* *AED'000*
Revenue	**533,597**	468,800
Profit	**118,077**	113,440
Group's share of profit at 35% (2020: 35%)	**41,327**	39,704

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	2021 AED'000	*2020 AED'000*
Emirates NBD REIT Limited – quoted (1)	**15,219**	14,359
BEGiN – unquoted (2)	**18,609**	18,609
At 31 December	**33,828**	32,968

(1) The investment consists of a 3.54% shareholding in a quoted equity investment made by the Group in Emirates NBD REIT Limited, which is listed on NASDAQ Dubai exchange.

(2) The investment consists of a shareholding of approximately 1% in a US-based leading education technology company.

The movement in the FVOCI investments during the year was as follows:

	2021 AED'000	*2020 AED'000*
At 1 January	**32,968**	15,716
Acquired during the year	**-**	18,609
Net change in fair value	**860**	(1,357)
At 31 December	**33,828**	32,968

13 TRADE AND OTHER RECEIVABLES

	2021 AED'000	*2020 AED'000*
Trade receivables	**103,020**	20,783
Less: allowance for expected credit losses	**(17,122)**	(8,792)
	85,898	11,991
Prepayments	**10,927**	6,950
Accrued profit/interest on term deposits	**4,635**	4,692
Refundable deposits	**1,847**	2,000
Advances to suppliers	**3,072**	943
Other receivables	**4,860**	2,258
	111,239	28,834

Movement in the allowance for expected credit losses is as follows:

	2021 AED'000	*2020 AED'000*
At 1 January	**8,792**	4,704
Acquired through business combination	**4,011**	-
Charge for the year (Note 5)	**6,939**	4,088
Write-offs	**(2,620)**	-
At 31 December	**17,122**	8,792

The information about the credit exposures is disclosed in Note 25.

14 RELATED PARTY TRANSACTIONS

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

Balances with related parties

	2021 *AED'000*	*2020* *AED'000*
Due from related parties		
Associates		
Sukoon	**7,924**	8,045
Taaleem	-	11,594
Other related parties	**155**	14
	8,079	19,653

	2021 *AED'000*	*2020* *AED'000*
Due to related parties		
Other related parties – non-current	**4,013**	4,013
Other related parties – current	**1,217**	801

	2021 *AED'000*	*2020* *AED'000*
Transactions with related parties		
Key management personnel		
Management fee	**4,115**	-

Management fee expense is included under share of results of an associate for services provided by a key management personnel of the Company to the associate. The above management fee represents the Group's share of the expense.

There were no other material transactions with related parties during the years ended 31 December 2021 and 2020. Dividend received from associates is disclosed in Note 11.

Key management personnel remunerations

Group key management personnel compensation, other than board remuneration disclosed in note 5, comprise the following:

	2021 *AED'000*	*2020* *AED'000*
Short–term benefits	**30,000**	10,890
Post–employment benefits	**627**	490
Board remuneration	**6,301**	2,293

The amounts disclosed above are the amounts recognised as expense/(income) during the year related to key management personnel.

15 CASH AND BANK BALANCES

Cash and bank balances in the consolidated statement of financial position comprise the following:

	2021 *AED'000*	*2020* *AED'000*
Cash on hand	**793**	452
Current accounts with banks	**117,034**	87,351
Cash balance held with a third party (Note 16.2)	**10,206**	14,848
Pledged deposit	**3,896**	3,896
Shariah compliant term deposits	**627,000**	306,040
Non-Sharia compliant term deposits	**119,107**	117,968
Cash and bank balances	**878,036**	530,555

Cash and cash equivalents in the consolidated statement of cash flows comprise the following:

	2021 *AED'000*	*2020* *AED'000*
Cash and bank balances	**878,036**	530,555
Less:		
Cash balance held with a third party* (Note 16.2)	**(10,206)**	(14,848)
Pledged deposit	**(3,896)**	(3,896)
Shariah compliant term deposits (with initial maturity of more than 3 months)	**(627,000)**	(106,590)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	**(119,107)**	-
Bank overdraft (Note 25.2)	**(21,072)**	(14,105)
Cash and cash equivalents	**96,755**	391,116

During the year ended 31 December 2021, the Group earned an aggregate profit/interest of AED 5,429 thousand on its deposits (2020: AED 9,498 thousand) (Note 7.1).

16 SHARE CAPITAL AND TREASURY SHARES

16.1 Share capital

The share capital of the Company is AED 2.5 billion (2020: AED 2.5 billion).

As at 31 December 2021 the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each which were fully paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

16.2 Treasury shares

In 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 December 2021, the Market Maker held 11,036,734 (2020: 8,172,689) of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 12,711 thousand (2020: AED 6,702 thousand) and classified under equity as treasury shares at 31 December 2021. A cumulative gain of AED 2,877 thousand has been recognised at 31 December 2021 as Share Premium under equity out of which a net gain of AED 2,354 thousand (2020: AED 523 thousand) is from the disposal of shares during the current year. At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

17 STATUTORY RESERVES

As required by Article 239 of the U.A.E. Federal Law No. (2) of 2015, 10% of the profit for the year is required to be transferred to the Statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. During 2021, an amount of AED 28,083 thousand (2020: AED 1,008 thousand) has been transferred to statutory reserve. The statutory reserve is not available for distribution.

18 FINANCING FROM BANKS

	2021 ***AED'000***	*2020* *AED'000*
Term loan (1)	**71,063**	62,374
Musharaka financing facility (2)	**374,626**	-
Less: loan arrangement fees (2)	**(2,261)**	-
	372,365	-
	443,428	62,374
Current	**51,911**	7,792
Non-current	**391,517**	54,582

(1) During 2019, the Group's subsidiary in Bahrain obtained a term loan from a local bank with a limit of BHD 8 million (equivalent to AED 77,920 thousand), out of which BHD 7.37 million (equivalent to AED 71,063 thousand) was utilised at 31 December 2021 (2020: BHD 6.47 million equivalent to AED 62,374 thousand). The loan is repayable in quarterly installments of BHD 400 thousand (equivalent to AED 3,896 thousand) and a bullet payment of BHD 1.2 million (equivalent to AED 11,688 thousand) in 2028 plus interest at CBB 3-month T-bill rate + 3.25% per annum. The repayment of the principal was scheduled to commence after a grace period of 24 months i.e. from 1 September 2021, which was extended to 31 March 2022. The facility is secured against corporate guarantee of the Company.

(2) During the year, the Group obtained a Musharaka term facility of AED 405,000 thousand to finance the acquisition of CMRC (Note 10). The facility is repayable in quarterly principal instalments of AED 10,125 thousand each plus profit, with profit accruing at competitive market rates, over a period of 7 years with a 30% balloon payment to be made along with the last instalment. The facility is secured against corporate guarantees from the Company and CMRC Limited and its subsidiaries, 100% pledge over the shares of CMRC Limited and its subsidiaries and an assignment of dividends of CMRC Saudi Arabia LLC.

Arrangement fees of AED 2,746 thousand were paid by the Group, which are being amortised over the facility term of 7 years.

The Group is required to maintain certain financial covenants at the level of CMRC UAE, which are all met at the reporting date.

19 OTHER LONG-TERM PAYABLE

	2021 ***AED'000***	*2020* *AED'000*
Unamortised rent incentive – non-current portion	**3,630**	3,821

20 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2021	*2020*
	AED'000	*AED'000*
Balance as at 1 January	**9,609**	7,959
Acquisition of a subsidiary (Note 10)	**10,027**	-
Charge for the year	**6,594**	2,886
Payments made during the year	**(3,416)**	(1,236)
Balance as at 31 December	**22,814**	9,609

21 ACCOUNTS AND OTHER PAYABLES

	2021	*2020*
	AED'000	*AED'000*
Accounts payable	**25,674**	9,425
Staff related accruals	**21,701**	5,504
Accrued transaction costs	**13,292**	3,859
Deferred consideration (Note 10)	**4,900**	-
Directors' remuneration payable	**8,426**	2,178
Customer deposits	**2,043**	1,540
Other accruals and payables	**43,320**	32,649
	119,356	55,155

22 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to the owners of the company for the year and the number of ordinary shares outstanding during the year.

	2021	*2020*
Profit for the year attributable to equity holders of the Company (AED'000)	**280,831**	10,082
Weighted average number of ordinary shares ('000)	**2,499,091**	2,493,707
Basic and diluted earnings per share (AED)	**0.1124**	0.0040

* The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares during the year.

23 DIVIDENDS

No dividend was declared during the current year (2020: AED 0.02 per ordinary share). Subsequent to the year-end, the Board of Directors in its meeting held on 14 February 2022 proposed a cash dividend of AED 0.06 per share, which is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

24 COMMITMENTS AND CONTINGENCIES

Group as lessee
At 31 December 2021, the future minimum lease payments for non-cancellable operating leases payable by the Group were as follows:

	2021 ***AED'000***	*2020* *AED'000*
Due in less than one year	-	4,925

Group as lessor
As mentioned in note 9, the Group entered into a finance lease as a lessor. Under the terms of the contract, subject to fulfilment of certain criteria, the Group may be required to fund an additional amount of up to AED 12.1 million (2020: AED 12.4 million) for the expansion and improvement of the underlying asset within a contractually agreed time frame.

Contingencies
The Company and its subsidiaries do not have any significant contingent liabilities at the reporting date (2020: Nil). Below are details of the Group's share of its associates' contingent liabilities at the reporting date.

	2021 ***AED'000***	*2020* *AED'000*
Bank guarantees	**18,608**	35,758

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Financial assets

	2021 ***AED'000***	*2020* *AED'000*
Equity instruments designated at FVOCI		
Listed equity investment	**15,219**	14,359
Non-listed equity investment	**18,609**	18,609
	33,828	32,968
Debt instruments at amortised cost		
Trade and other receivables	**97,240**	20,941
Finance lease receivables	**420,818**	402,662
Due from related parties	**8,079**	19,653
	526,137	443,256
Total financial assets*	**559,965**	476,224
Total current	**143,305**	58,727
Total non-current	**416,660**	417,497

* Financial assets, other than cash and bank balances

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.2 Financial liabilities

	2021 *AED'000*	*2020* *AED'000*
Interest-bearing loans and borrowings		
Lease liabilities	**124,241**	22,631
Bank overdraft	**21,072**	14,105
Financing from banks (net of arrangement fees)	**443,428**	62,374
	588,741	99,110
Derivative designated as hedging instrument		
Interest rate swap	**1,646**	-
Financial liabilities at amortised cost		
Accounts and other payables	**118,114**	55,155
Due to related parties	**5,230**	4,814
	123,344	59,969
Total financial liabilities	**713,731**	159,079
Total current	**209,102**	78,063
Total non-current	**504,629**	81,016

25.3 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is interest rate risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 25.5 below.

Derivative designated as hedging instrument
Cash flow hedge – Interest rate swap
At 31 December 2021, the Group had an interest rate swap agreement in place with a notional amount of USD 50,997,141 (equivalent to AED 187,312,500) (2020: Nil) whereby the Group pays an agreed rate of interest fixed on quarterly basis and receives a capped interest at a variable rate equal to 3-month USD LIBOR on the notional amount. The swap is being used to hedge the exposure to changes in variable interest rates of the bank financing obtained during the year for the acquisition of CMRC (Note 18).

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap closely match the terms of the hedged item (i.e., maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.3 Hedging activities and derivatives (continued)

Management assessed that all the criteria for hedge effectiveness are met and concluded that the hedge is effective both at the inception and as at the year end, and accordingly, the Group has reflected the negative fair value of the derivative instrument of AED 1,646 thousand in OCI and recognised the same as a financial liability in the consolidated statement of financial position at the reporting date.

25.4 Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the Group's financial assets and liabilities approximate their book values as at 31 December 2021 and 2020 based on management's assessment and as follows:

- Management assessed that the fair values of cash and bank balances, trade and other receivables, accounts and other payables, due from and to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

- The quoted financial asset at FVOCI is carried at fair value using quoted price and there is an active market for it.

- The unquoted financial asset at FVOCI is carried at fair value using latest market transaction price.

- Management assessed that the book value of long-term borrowings as at 31 December 2021 approximates their fair values due to the fact that they bear variable interest rates that reflect current market interest rates for similar borrowings. As a result, the values of the future discounted cash flows on those borrowings are not significantly different from their current book values.

- Management assessed that the book value of the finance lease receivables approximate its fair value as the balances has been discounted using appropriate discount factors.

The Group's quoted financial asset at FVOCI is carried at fair value using level 1 valuation method. The Group's unquoted financial asset at FVOCI is carried at fair value using level 2 valuation method. There have been no reclassifications made between the valuation levels during the current year or the previous year.

25.5 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise accounts and other payables, financing from banks, due to related parties, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, finance lease receivables, due from related parties and bank balances that derive directly from its operations. The Group also holds investments in financial assets.

The Group is exposed to credit risk, liquidity risk, market risk and operational risk.

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, finance lease receivables and other financial instruments.

The Group manages its credit risk exposure through diversification of its investments and deposits to avoid concentration of risk with institutions or group of institutions in specific location or business.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 31 December 2021 and 2020 is the carrying amounts of the financial assets disclosed in note 25.1 above.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the treasury department of each business unit in accordance with set policies.

Exposure to credit risk is monitored on an ongoing basis. Cash balances are held with the banks and financial institutions which are rated A+ to BBB- based on Standard and Poor's credit ratings. The significant portion of the credit exposure of the Group is in the UAE.

The Group has investments in a quoted and unquoted equities with low credit risk.

Trade receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Education sector
Trade receivables of the education sector relate to amounts receivable by Middlesex University from students for providing academic services. Middlesex extends a credit period of 30 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At 31 December 2021 and 2020, there was no concentration risk related to the trade receivables of the education sector.

Healthcare sector
Trade receivables of the healthcare sector relate to amounts receivable by the subsidiaries CMRC UAE, CMRC KSA and RHWC mainly from reputable insurance companies operating in the respective countries. At 31 December 2021, the Group had 11 customers (2020: 5) that accounted for approximately 96% (2020: 82%) of the total healthcare receivables outstanding and 70% (2020: 5%) of all the receivables outstanding.

Impairment
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when considered unrecoverable. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2021			***Days past due***			
	Total AED'000	*Not past due AED'000*	*0-60 days AED'000*	*61-120 days AED'000*	*121-365 days AED'000*	*>365 days AED'000*
Expected credit loss rate		-	**2.4%**	**6.7%**	**48.3%**	**97.8%**
Estimated total gross carrying amount at default	**103,020**	**5,632**	**55,714**	**23,218**	**7,754**	**10,702**
Expected credit loss	**17,122**	-	**1,344**	**1,560**	**3,749**	**10,469**

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables (continued)

Impairment (continued)

31 December 2020

			Days past due			
	Total AED'000	*Not past due AED'000*	*0-60 days AED'000*	*61-120 days AED'000*	*121-365 days AED'000*	*>365 days AED'000*
Expected credit loss rate		-	-	27.8%	39.0%	76.0%
Estimated total gross carrying amount at default	20,783	-	7,883	1,599	638	10,663
Expected credit loss	8,792	-	-	444	249	8,099

Finance lease receivables

As described in note 9, the Group entered into a finance lease arrangement as a lessor. The Group's maximum exposure to credit risk on its finance lease receivable is best represented by its carrying value at the reporting date. Prior to entering into this contract, the Group performed necessary diligence on the credit worthiness of the counter party (lessee) and the quality and performance of the underlying asset. The Group constantly monitors the credit risk on its finance lease receivable.

The agreement grants protective rights to the Group in an event of default allowing it to terminate the contract and physically repossess the property. Such protective rights, in addition to other guarantees as mentioned in note 9, limit the amount of credit risk on the exposure since it is covered by the fair value of the underlying property.

Due from related parties

Balance due from related parties are mainly related to dividends and return of capital receivable from associates, which are settled on timely basis, and accordingly, the Group considers these balances to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

31 December 2021

	On demand AED'000	***Less than 3 months AED'000***	***3 to 12 months AED'000***	***1 to 5 years AED'000***	***After 5 years AED'000***	***Total AED'000***
Accounts and other payables	-	**60,291**	**46,328**	-	-	**106,619**
Lease liabilities	-	**3,902**	**16,604**	**86,526**	**75,243**	**182,275**
Financing from banks*	-	**15,117**	**54,180**	**303,246**	**132,499**	**505,042**
Bank overdraft	**21,072**	-	-	-	-	**21,072**
Due to related parties	**1,217**	-	-	**4,013**	-	**5,230**
	22,289	**79,310**	**117,112**	**393,785**	**207,742**	**820,238**

** Excluding the impact of hedging*

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Liquidity risk (continued)

31 December 2020

	On demand AED'000	*Less than 3 months AED'000*	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*After 5 years AED'000*	*Total Total AED'000*
Accounts and other payables	-	50,771	5,504	-	-	56,275
Lease liabilities	-	19	317	20,292	2,676	23,304
Financing from banks	-	733	9,991	66,308	-	77,032
Bank overdraft	14,105	-	-	-	-	14,105
Due to related parties	801	-	-	4,013	-	4,814
	14,906	51,523	15,812	90,613	2,676	175,530

Market risk
The Group is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables. Market risk arises from foreign currency products, interest bearing products and equity investments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as currency rates, interest rates, equity prices and credit spreads.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will change because of changes in foreign exchange rates. The Group's foreign currency exposure arises principally from transactions denominated in Saudi Arabian Riyal ("SAR'') and Bahraini Dinar ("BHD"). Since the SAR, BHD and AED are pegged to the United State Dollar ("USD"), the Group has no significant exposure to currency risk.

Interest rate risk
Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's deposits earn interest/profit at fixed rates, hence any changes in interest/profit rate will not have an impact on the consolidated profit or loss of the Group. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The interest rate profile of the Group's financial assets and liabilities are shown in the table below:

	2021 AED'000	*2020 AED'000*
Fixed rate instruments – assets		
Wakala and term deposits with banks	**746,107**	424,008
Variable rate instruments – liabilities		
Term loan facility	**(71,063)**	(62,374)
Musharaka financing facility	**(374,626)**	-
Bank overdraft	**(21,072)**	(14,105)
	(466,761)	(76,479)

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2021, after taking into account the effect of interest rate swaps, approximately 40% of the Group's borrowings are at a fixed rate of interest (2020: Nil).

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)
Interest rate sensitivity
A reasonably possible change in interest rates at the reporting date will not have any significant impact on the consolidated financial statements.

Equity price risk
Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Equity price risk arises from the change in fair value of equity instruments. The Group is exposed to equity price risk, which arises from fair value through other comprehensive income securities.

The Group's equity investment in Emirates NBD REIT is listed on the Nasdaq Dubai. A 5% increase in equity indices of the security at the reporting date would have increased other comprehensive income and equity attributable to the owners of the Company by AED 761 thousand (2020: AED 718 thousand) and an equal change in the opposite direction would have decreased other comprehensive income and equity by the same amount.

At the reporting date, the exposure to non-listed equity investments at fair value was AED 18,609 thousand.

Operational risk
Operational risk is the risk of a direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has established a framework of policies and procedures to identify, assess, control, manage and report risks. The Group's senior management identifies and manages operational risk to reduce the likelihood of any operational losses. Compliance with policies and procedures is supported by periodic reviews undertaken by the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Board of Directors of the Group.

Capital management
The Group's capital management policy is governed by the Board of Directors of the Company. The Company's objectives of managing capital are to ensure the Company's ability to continue as a going concern and increase the net worth of the Company and shareholders' interests so as to maintain the confidence of its investors, creditors and the market and to sustain future development of the business. For the purpose of the Group's capital management, capital includes share capital, share premium, treasury shares and all other equity reserves attributable to the equity holders of the Company.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt.. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Capital management (continued)

	2021 *AED'000*	2020 *AED'000*
Interest-bearing loans and borrowings (Note 25.2)	**588,741**	99,110
Accounts and other payables	**118,114**	55,155
Due to related parties	**5,230**	4,814
Less: cash and bank balances	**(117,827)**	(405,221)
Net debt	**594,258**	(246,142)
Equity	**2,768,760**	2,518,425
Capital and net debt	**3,363,018**	2,272,283
Gearing ratio	**18%**	-

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

26 SEGMENT INFORMATION

The principal activities of the Group are to invest in companies and enterprises in the fields of education and healthcare and managing, developing and operating such companies and enterprises. The Group includes a subsidiary in the field of education and another in the field of healthcare.

The details of segment revenue, segment result, segment assets and segment liabilities are as follows:

	Investments AED'000	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*	*Eliminations AED'000*	*Consolidated AED'000*
31 December 2021						
Revenue	-	136,991	275,881	412,872	-	412,872
Direct costs	-	(59,734)	(164,606)	(224,340)	861	(223,479)
General and administrative expenses*	(57,569)	(51,045)	(69,582)	(178,196)	2,402	(175,794)
Impairment of goodwill	-	-	(19,961)	(19,961)	-	(19,961)
Other operating income	3,679	1,172	2,127	6,978	(3,570)	3,408
Share of results of associates	-	43,300	9,233	52,533	-	52,533
Gain on disposal of associates	202,881	-	-	202,881	-	202,881
Finance income	7,023	33,448	8,681	49,152	(10,275)	38,877
Finance costs	(8,834)	(762)	(19,183)	(28,779)	10,582	(18,197)
Segment results	147,180	103,370	22,590	273,140	-	273,140
Segment profit/(loss) attributable to:						
Equity holders of the Company	147,180	103,370	30,281	280,831	-	280,831
Non-controlling interests	-	-	(7,691)	(7,691)	-	(7,691)

26 SEGMENT INFORMATION (continued)

	Investments AED'000	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*	*Eliminations AED'000*	*Consolidated AED'000*
Total assets	**907,900**	**1,334,591**	**1,748,558**	**3,991,049**	**(447,029)**	**3,544,020**
Total liabilities	**(475,787)**	**(114,063)**	**(632,498)**	**(1,222,348)**	**447,088**	**(775,260)**
Capital expenditure	**(59,290)**	**(4,143)**	**(7,893)**	**(71,326)**	**-**	**(71,326)**
Depreciation and amortization	**1,267**	**11,499**	**29,350**	**42,116**	**(860)**	**41,256**

	Investments AED'000	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*	*Eliminations AED'000*	*Consolidated AED'000*
31 December 2020						
Revenue	-	131,556	12,009	143,565	-	143,565
Direct costs	-	(59,634)	(21,250)	(80,884)	-	(80,884)
General and administrative expenses	(60,519)	(45,556)	(19,339)	(125,414)	2,500	(122,914)
Other operating income	3,493	138	692	4,323	(2,500)	1,823
Share of results of associates	-	45,520	(23,094)	22,426	-	22,426
Finance income	11,083	30,950	-	42,033	(1,164)	40,869
Finance costs	(42)	-	(6,444)	(6,486)	1,164	(5,322)
Segment results (2)	(45,985)	102,974	(57,426)	(437)	-	(437)
Segment profit/(loss) attributable to:						
Equity holders of the Company (2)	(45,985)	102,974	(46,907)	10,082	-	10,082
Non-controlling interests	-	-	(10,519)	(10,519)	-	(10,519)
Total assets (2)	542,666	1,446,280	737,263	2,726,209	(8,146)	2,718,063
Total liabilities (2)	(30,304)	(54,174)	(128,878)	(213,356)	13,718	(199,638)
Capital expenditure	(289)	(1,047)	(4,955)	(6,291)	-	(6,291)
Depreciation and amortization	967	15,578	8,069	24,614	-	24,614

(1) General and administrative expenses related to the Investments segment comprise of AED 37,612 thousand of head office expenses and AED 19,957 thousand related to transaction expenses (2020: AED 50,007 thousand and AED 10,512 thousand, respectively).

(2) The Group reclassified certain investments and the related liabilities, income and expenses from the 'Investment' reporting segment to the 'Education' and 'Healthcare' reporting segments to conform to the current period's disclosure.

27 MATERIAL PARTLY-OWNED SUBSIDIARY

Financial information of the subsidiary that has material non-controlling interests are provided below:

(1) Proportion of equity interest held by non-controlling interests:

Subsidiary	**Non-controlling interests** ***2021***	*2020*
Royal Hospital for Women and Children W.L.L	**30.76%**	30.76%

Accumulated balance of non-controlling interests:

	2021 AED'000	*2020 AED'000*
Royal Hospital for Women and Children W.L.L ("RHWC")	**(1,346)**	6,345

27 MATERIAL PARTLY-OWNED SUBSIDIARY (continued)

(2) Summarised financial information of the subsidiary before inter-company eliminations

Summarised consolidated statement of profit or loss for the year ended 31 December 2021:

	2021 *AED'000*	*2020* *AED'000*
Revenue	**30,308**	12,009
Costs and expenses	**(48,894)**	(40,588)
Other income	**641**	692
Finance costs	**(7,059)**	(6,444)
Loss for the year	**(25,004)**	(34,331)
Attributable to non-controlling interests	**(7,691)**	(10,519)

Summarised consolidated statement of financial position as at 31 December 2021:

	2021 *AED'000*	*2020* *AED'000*
Non-current assets	**132,486**	139,049
Current assets	**12,061**	10,756
Non-current liabilities	**(93,279)**	(92,569)
Current liabilities	**(55,644)**	(36,517)
Total equity	**(4,376)**	20,719
Attributable to non-controlling interests	**(1,346)**	6,345

Summarised cash flow information for the year ended 31 December 2021:

	2021 *AED'000*	*2020* *AED'000*
Operating	**(10,922)**	(16,572)
Investing	**(2,002)**	(4,955)
Financing	**3,863**	839
Net decrease in cash and cash equivalents	**(9,061)**	(20,688)

(3) Movements in non-controlling interests

The following table summarises the information about movements in non-controlling interest for the period:

	Non-controlling interest	
	2021 *AED'000*	*2020* *AED'000*
Balance as at 1 January	**6,345**	16,864
Loss for the year	**(7,691)**	(10,519)
Balance as at 31 December	**(1,346)**	6,345

28 IMPACT OF CORONAVIRUS (COVID-19)

The economic crisis caused by the COVID-19 pandemic and actions taken by various governments globally, including that of the Governments of the United Arab Emirates, Saudi Arabia and Bahrain, to control the spread of the pandemic, such as lock-down, travel restrictions and other measures resulted in some disruption to the Group's business operations, mainly during the period from March to August 2020. The Board of Directors and management had initiated a number of measures within the Company and among its personnel to maintain high standards of health and safety in response to the pandemic.

Subsequent to 31 December 2021, as the effect of the pandemic continues to evolve, the Group may face additional risks and uncertainties, if further actions are taken by the countries in which the Group operates.

The extent and duration of such impact remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these consolidated financial statements. Notwithstanding, these developments could impact the Group's financial results, cash flows and financial condition during 2022.

The main elements related to the Group's consolidated financial statements which are potentially impacted by COVID-19 are detailed below:

Government assistance

To mitigate the impact of the COVID-19 pandemic, the Group's subsidiary in Bahrain received assistance from the Government of Bahrain in 2020 in the form of a cash payment covering salaries of Bahraini employees for an amount equivalent to AED 451 thousand. No such assistance was received during the current year.

Government assistance received by the Group resulted in a reduction to the respective expense.

29 COMPARATIVE FIGURES

Certain comparative figures in the consolidated statement of financial position have been reclassified, where appropriate, to confirm to the current period's presentation. Such reclassifications did not have any impact on the previously reported net assets at 31 December 2020 and results of the Group for the year then ended.

30 ALTERNATIVE PERFORMANCE MEASURES

Management considers the use of non-IFRS Alternative Performance Measures (APMs) to be key in understanding the Group's financial performance as well as assisting in forecasting the performance of future periods.

The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS.

In presenting the APMs management adjusts for certain items that vary between years and for which the adjustment facilitates comparability between periods.

A reconciliation of the APMs utilised to the most directly reconcilable line items in the consolidated statement of profit or loss is provide below and may differ from similarly titled measures used by other entities.

(a) Adjusted profit attributable to the equity holders of the Company

This APM represents the reported profit attributable to the equity holders of the Company adjusted for income/expense related to:

- acquisition and disposals of investees including related transaction expenses;
- share of results of investees disposed of during the year;
- goodwill impairment loss; and
- share of trade receivables write-off of an associate.

30 ALTERNATIVE PERFORMANCE MEASURES (continued)

(b) Adjusted operating profit/(loss) attributable to the equity holders of the Company

This APM represents the reported operating profit/(loss) attributable to the equity holders of the Company adjusted for income/expense related to:

- all adjustment items disclosed in (a) above;
- the share of results of associates other than those disposed during the year; and
- finance income on lease receivables.

(c) Reconciliation

The APMs and their reconciliations to the measures reported in the consolidated statement of comprehensive income are as follows:

	2021 AED'000	*2020 AED'000*
Profit attributable to equity holders of the Company	**280,831**	10,082
Adjusted for:		
Gain on disposal of associates	**(202,881)**	-
Transaction related expenses* (Note 5)	**19,957**	10,512
Share of results of investees disposed of during the year (Note 11)	**(14,493)**	(11,433)
Goodwill impairment (Note 10)	**19,961**	-
Share of trade receivables write-off at Sukoon (Note 11)	**-**	16,817
Adjusted profit attributable to equity holders of the Company	**103,375**	25,978
Add/(deduct):		
Finance costs, net of share of NCI of AED 2,171 thousand (2020: AED 1,978 thousand)	**16,026**	3,344
Finance income	**(5,429)**	(10,009)
Adjusted operating profit attributable to equity holders of the Company	**113,972**	19,313
Adjusted for:		
Finance income on lease receivables	**(33,448)**	(30,860)
Share of results of associates, other than those disposed of during the year	**(38,040)**	(10,993)
Add/(deduct):		
Transaction related expenses*	**(19,957)**	(10,512)
Goodwill impairment	**(19,961)**	-
Share of trade receivables write-off at Sukoon	**-**	(16,817)
Finance cost attributable to NCI	**2,171**	1,978
Non-controlling interests (Note 27)	**(7,691)**	(10,519)
OPERATING LOSS	**(2,954)**	(58,410)

** includes AED 17,000 thousand of employee compensation and other related expenses*

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