

# **AMANAT HOLDINGS PJSC**

## **UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2019**

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTOR OF AMANAT HOLDINGS P.J.S.C**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Amanat Holdings P.J.S.C (the "Company") and its subsidiaries (collectively referred to as the "Group"), comprising of the interim consolidated statement of financial position as at 30 September 2019, and the related interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended and the statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### ***Scope of Review***

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

### ***Conclusion***

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

### ***Other matters***

The consolidated financial statements of the Group as at and for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified audit opinion on those statements on 13 February 2019. Furthermore, the interim condensed consolidated financial statements of the Group as at and for the nine-month period ended 30 September 2018 were reviewed by another auditor who expressed an unmodified review conclusion on those statements on 6 November 2018.

For Ernst & Young



Signed by  
Ashraf Abu-Sharkh  
Partner  
Registration number: 690

3 November 2019

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine month period ended 30 September 2019

	Notes	Three months period ended 30 September		Nine months period ended 30 September	
		2019 AED'000 (Unaudited)	2018 AED'000 (Unaudited)	2019 AED'000 (Unaudited)	2018 AED'000 (Unaudited)
Revenue	3	3,762	-	89,370	-
Direct costs		(2,491)	-	(33,109)	-
<b>GROSS PROFIT</b>		<b>1,271</b>	<b>-</b>	<b>56,261</b>	<b>-</b>
General and administrative expenses	3	(38,782)	(25,870)	(110,415)	(48,041)
Other operating income	3	16,448	3,040	22,514	4,652
<b>OPERATING LOSS</b>		<b>(21,063)</b>	<b>(22,830)</b>	<b>(31,640)</b>	<b>(43,389)</b>
Share of results of associates	5	7,424	11,006	29,993	37,147
Finance income		10,507	8,461	32,358	32,586
Finance cost	2.2	(438)	(49)	(1,314)	(49)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(3,570)</b>	<b>(3,412)</b>	<b>29,397</b>	<b>26,295</b>
<b>Attributable to:</b>					
Equity holders of the Company		(1,664)	(3,571)	33,434	24,286
Non-controlling interests		(1,906)	159	(4,037)	2,009
		<b>(3,570)</b>	<b>(3,412)</b>	<b>29,397</b>	<b>26,295</b>
<b>Basic and diluted earnings per share (AED)</b>	10	<b>(0.0007)</b>	<b>(0.0014)</b>	<b>0.013</b>	<b>0.0097</b>

\* The interim consolidated statement of profit or loss for the nine-month ended 30 September 2019 includes the results of operations of the subsidiaries. Refer to note 2.1.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPERHENSIVE INCOME

For the nine month period ended 30 September 2019

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2019 AED'000 (Unaudited)</i>	<i>2018 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>	<i>2018 AED'000 (Unaudited)</i>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(3,570)</b>	<b>(3,412)</b>	<b>29,397</b>	<b>26,295</b>
<b>Other comprehensive loss</b>				
<i>Items that would not be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value of financial asset at FVOCI	<b>628</b>	<b>(1,820)</b>	<b>(3,441)</b>	<b>(7,941)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(2,942)</b>	<b>(5,232)</b>	<b>25,956</b>	<b>18,354</b>
<b>Attributable to:</b>				
Equity holders of the Company	<b>(1,036)</b>	<b>(5,391)</b>	<b>29,993</b>	<b>16,345</b>
Non-controlling interests	<b>(1,906)</b>	<b>159</b>	<b>(4,037)</b>	<b>2,009</b>
	<b>(2,942)</b>	<b>(5,232)</b>	<b>25,956</b>	<b>18,354</b>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	30 September 2019 AED'000 Unaudited	31 December 2018 AED'000 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		134,075	133,207
Right-of-use assets	2	31,443	-
Goodwill	4	492,082	492,082
Investments in associates	5	1,187,634	1,171,029
Finance lease receivable	6	349,167	328,531
Financial asset at fair value through OCI	6	17,833	21,274
<b>Total non-current assets</b>		<b>2,212,234</b>	<b>2,146,123</b>
<b>Current assets</b>			
Deposits and prepayments	6	5,765	11,367
Trade and other receivables	6	16,833	12,233
Other current assets	6	9,223	20,034
Due from related parties	12	2,993	20,700
Cash and bank balances	7	572,264	596,137
<b>Total current assets</b>		<b>607,078</b>	<b>660,471</b>
<b>TOTAL ASSETS</b>		<b>2,819,312</b>	<b>2,806,594</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	2,500,000	2,500,000
Legal reserve		23,142	23,142
Fair value reserve		(18,916)	(15,475)
Retained earnings		36,689	38,635
<b>Total equity attributable to the equity holders of the Company</b>		<b>2,540,915</b>	<b>2,546,302</b>
Non-controlling interests		25,437	30,244
<b>Total equity</b>		<b>2,566,352</b>	<b>2,576,546</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank financing	6	45,824	37,012
Other long-term payables	6	61,944	65,860
Lease liabilities		23,156	-
Provision for end of service benefits		7,311	7,685
<b>Total non-current liabilities</b>		<b>138,235</b>	<b>110,557</b>
<b>Current liabilities</b>			
Trade and other payables	6	53,331	45,469
Lease liabilities		4,685	-
Financial liability at fair value through profit or loss	6	41,500	48,000
Contract liabilities		15,209	26,022
<b>Total current liabilities</b>		<b>114,725</b>	<b>119,491</b>
<b>Total liabilities</b>		<b>252,960</b>	<b>230,048</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,819,312</b>	<b>2,806,594</b>

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 3<sup>rd</sup> November 2019 and signed on its behalf by:



Hamad Al Shamsi  
Chairman



Shamsheer Fayalil  
Vice Chairman

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2019

	Share capital AED '000	Share issuance reserve AED '000	Legal reserve AED '000	Fair value reserve AED '000	Retained earnings AED '000	Total equity attributable to equity holders of the Company AED '000	Non- controlling interests AED '000	Total AED '000
As at 1 January 2019 - <i>Audited</i>	2,500,000	-	23,142	(15,475)	38,635	2,546,302	30,244	2,576,546
Profit for the period	-	-	-	-	33,434	33,434	(4,037)	29,397
Other comprehensive loss	-	-	-	(3,441)	-	(3,441)	-	(3,441)
Total comprehensive income for the period	-	-	-	(3,441)	33,434	29,993	(4,037)	25,956
Dividend declared (Note 9)	-	-	-	-	(37,500)	(37,500)	(770)	(38,270)
Impact of IFRS 16 adoption (Note 2.2)	-	-	-	-	2,120	2,120	-	2,120
<b>As at 30 September 2019 - <i>Unaudited</i></b>	<b>2,500,000</b>	<b>-</b>	<b>23,142</b>	<b>(18,916)</b>	<b>36,689</b>	<b>2,540,915</b>	<b>25,437</b>	<b>2,566,352</b>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the nine month period ended 30 September 2018

	Share capital AED '000	Share issuance reserve AED '000	Legal reserve AED '000	Fair value reserve AED '000	Retained earnings AED '000	Total equity attributable to equity holders of the Company AED '000	Non- controlling interests AED '000	Total AED '000
As at 1 January 2018 - Audited	2,500,000	5,718	13,131	(3,994)	43,176	2,558,031	1,778	2,559,809
Profit for the period	-	-	-	-	24,286	24,286	2,009	26,295
Other comprehensive loss	-	-	-	(7,941)	-	(7,941)	-	(7,941)
Total comprehensive income for the period	-	-	-	(7,941)	24,286	16,345	2,009	18,354
Dividend declared (Note 9)	-	-	-	-	(43,176)	(43,176)	(771)	(43,947)
Transfers	-	(5,718)	5,718	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	26,547	26,547
As at 30 September 2018 - Unaudited	2,500,000	-	18,849	(11,935)	24,286	2,531,200	29,563	2,560,763

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2019

	<i>Nine month period ended 30 September</i>	
	<i>2019 AED'000 Unaudited</i>	<i>2018 AED'000 Unaudited</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	29,397	26,295
<i>Adjustments for:</i>		
Income on deposits	(11,722)	(25,707)
Share of results of associates	(29,993)	(37,147)
Dividend income	(1,891)	(1,898)
Depreciation of property and equipment and right-of-use assets	21,183	1,031
Employees' end of service benefits paid	518	439
Finance income	(20,636)	(6,879)
Finance cost	1,314	
	<u>(11,830)</u>	<u>(43,866)</u>
Deposits and prepayments	5,602	(2,335)
Other assets	10,811	(19,000)
Due from related parties	17,707	(1,047)
Trade and other receivables	(4,600)	1,750
Trade and other payables	(13,367)	(1,434)
	<u>4,323</u>	<u>(65,932)</u>
Cash from operations	4,323	(65,932)
Employees' end of service benefits paid	(892)	(928)
Interest received on call and term deposits with conventional banks	842	43,924
Income received on sharia compliant term deposits	10,880	3,016
	<u>15,153</u>	<u>(19,920)</u>
<b>Net cash flows from /(used in) operating activities</b>	<b>15,153</b>	<b>(19,920)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(15,031)	(1,937)
Investment in finance lease	-	(315,113)
Consideration paid for investment in associate	-	(320,390)
Acquisition of Subsidiary	-	(482,255)
Changes in wakala and term deposits with original maturity of more than 3 months	41,274	1,189,690
Dividend income received from equity accounted investees	13,388	16,251
Dividend received from investment at FVOCI	1,891	1,561
	<u>41,522</u>	<u>87,807</u>
<b>Net cash flows from investing activities</b>	<b>41,522</b>	<b>87,807</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(38,270)	(43,176)
Proceeds from borrowings	8,812	12,662
Payment of lease liabilities	(9,816)	-
	<u>(39,274)</u>	<u>(30,514)</u>
<b>Net cash flows from financing activities</b>	<b>(39,274)</b>	<b>(30,514)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>17,401</b>	<b>37,373</b>
Cash and cash equivalents at the beginning of the period	66,468	12,313
	<u>83,869</u>	<u>49,686</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>83,869</b>	<b>49,686</b>

Non-cash transaction during the period include the initial recognition of the lease liabilities at commencement of AED 34,001 thousand (note 2.2) and dividend declaration of AED 37,500 thousand (note 9).

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.



### 1 BACKGROUND AND PRINCIPAL ACTIVITIES

Amanat Holdings PJSC (the “Company”) was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company on Dubai Financial Market. These interim condensed consolidated financial statements include the financial performance and position of the Company and its subsidiaries mentioned in Note 2.1 (collectively the “Group”).

The principal activities of the Company are investing in companies and enterprises in the education and healthcare sectors, and 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.

The Company intends to have its share as Sharia compliant for the purpose of investment and trading in accordance with Sharia parameters provided by Dubai Financial Market.

### 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

#### 2.1 Basis of preparation

These interim condensed consolidated financial statements for the nine month period ended 30 September 2019 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2018.

The interim condensed consolidated financial statements include the asset, liabilities and result of operations of the Company’s subsidiaries: Middlesex Associates FZ L.L.C and Royal Maternity Hospital Holding W.L.L

#### 2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balances of retained earnings as at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

**2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)****2.2 New standards, interpretations and amendments adopted by the Group (continued)****IFRS 16 Leases (continued)**

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease) is as follows:

	<i>AED'000</i> <i>Unaudited</i>
<b>Assets</b>	
Right-of-use assets	38,463
<b>Liabilities</b>	
Trade and other payables (lease liabilities)	(36,343)
Total adjustment on equity	<u>2,120</u>

***Nature of the effect of adoption of IFRS 16***

Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease.

In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. For all leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Based on the foregoing, as at 1 January 2019:

- Right-of -use assets of AED 38,463 thousand were recognised and presented separately in the consolidated statement of financial position.
- Additional lease liabilities of AED 36,343 thousand were recognised and presented separately in the consolidated statement of financial position.

**2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)****2.2 New standards, interpretations and amendments adopted by the Group (continued)****IFRS 16 Leases (continued)***Nature of the effect of adoption of IFRS 16 (continued)*

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	<i>AED'000</i> <i>Unaudited</i>
<b>Operating lease commitments as at 31 December 2018</b>	<b>33,202</b>
Weighted average incremental borrowing rate as at 1 January 2019	5.5%
Discounted operating lease commitments at 1 January 2019	37,328
Less:	
Commitments relating to short-term leases	(985)
<b>Lease liabilities as at 1 January 2019</b>	<b>36,343</b>

*Summary of new accounting policies*

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

*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. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

*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 a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the profit 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 profit 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 in-substance fixed lease payments or a change in the assessment 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 assets that are considered of low value (i.e., below AED 18,000). 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 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)****2.2 New standards, interpretations and amendments adopted by the Group (continued)****IFRS 16 Leases (continued)*****Summary of new accounting policies (continued)******Significant judgement in determining the lease term of contracts with renewal options***

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 has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., a change in business strategy).

***Amounts recognised in the consolidated statement of financial position and profit or loss***

	<i>Right-of-use assets AED'000 Unaudited</i>	<i>Lease liabilities AED'000 Unaudited</i>
<b>As at 1 January 2019</b>	<b>38,463</b>	<b>36,343</b>
Depreciation expense	(7,020)	-
Finance cost	-	1,314
Payments	-	(9,816)
<b>As at 30 September 2019</b>	<b>31,443</b>	<b>27,841</b>

Disclosed in the interim consolidated financial statements at 30 September 2019 as follows:

	<i>AED'000 Unaudited</i>
Current	4,685
Non-current	23,156
<b>As at 30 September 2019</b>	<b>27,841</b>

**Other amendments and improvements**

The following amendments and improvements, which became effective 1 January 2019, did not have any significant impact on the Group's consolidated financial statements:

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures
- IFRS 3 Business Combinations
- IFRS 11 Joint Arrangements
- IAS 12 Income Taxes
- IAS 23 Borrowing Costs

**2.3 Fair value measurement**

All financial assets and liabilities are stated at amortized cost or historical cost except for FVOCI investment and contingent consideration, which are measured at fair value. The fair values of the financial assets and liabilities are not materially different from their carrying values at the reporting date. The FVOCI investment qualifies for Level 1 fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the period.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2019

#### 3 PROFIT OR LOSS

##### 3.1 Revenue

Revenue comprises fee earned from academic services and other related services provided by the Company's subsidiary, Middlesex, which represent services transferred over time.

##### 3.2 General and administrative expenses

	<i>Nine month period ended 30 September</i>	
	<i>2019 AED'000 Unaudited</i>	<i>2018 AED'000 Unaudited</i>
Employee related expenses*	42,397	19,688
Transaction related costs	5,323	4,124
Other expenses**	62,695	24,229
	<u>110,415</u>	<u>48,041</u>

\*This amount includes the subsidiaries related expenses of AED 18,066 thousand (2018: 5,870 thousand).

\*\* This amount includes the subsidiaries related expenses of AED 50,552 thousand (2018: 7,199 thousand).

##### 3.3 Other operating income

	<i>Nine month period ended 30 September</i>	
	<i>2019 AED'000 Unaudited</i>	<i>2018 AED'000 Unaudited</i>
Student accommodation fees	8,938	1,640
Miscellaneous income	13,576	3,012
	<u>22,514</u>	<u>4,652</u>

#### 4 GOODWILL

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

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
	Middlesex Associates FZ L.L.C	410,070
Royal Maternity Hospital Holding W.L.L.	82,012	82,012
	<u>492,082</u>	<u>492,082</u>

As at 30 September 2019, the management has not identified circumstances that may indicate that the carrying value of goodwill may be impaired.

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

### 5 INVESTMENTS IN ASSOCIATES

The carrying value of the Group's investment in associates is as follows:

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
Sukoon International Holding Company ("Sukoon")	189,785	192,111
Taaleem Holdings PrJSC ("Taaleem")	200,133	188,479
International Medical Center ("IMC")	450,076	443,429
Abu Dhabi University Holding LLC ("ADU")	347,640	347,010
	<u>1,187,634</u>	<u>1,171,029</u>

The Group's share of results from associates is as follows:

	<i>Nine month period ended 30 September</i>	
	<i>2019 AED'000 Unaudited AED'000 Unaudited</i>	<i>2018 AED'000 Unaudited AED'000 Unaudited</i>
Sukoon International Holding Company ("Sukoon")	(2,326)	76
Taaleem Holdings PrJSC ("Taaleem")	11,654	12,878
International Medical Center ("IMC")	11,852	13,281
Abu Dhabi University Holding LLC ("ADU")	8,813	10,912
	<u>29,993</u>	<u>37,147</u>

The movement in the investments in associates is as follows:

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
At the beginning of the period	1,171,029	821,287
Acquisitions	-	329,770
Share of results	29,993	57,236
Dividends	(13,388)	(37,264)
At the end of the period	<u>1,187,634</u>	<u>1,171,029</u>

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2019

### 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 September 2019 and 31 December 2018:

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
<b><i>Debt instruments at amortised cost:</i></b>		
Trade and other receivables	16,833	12,233
Deposits	1,825	1,814
Other current assets	9,223	20,034
Finance lease receivable	349,167	328,531
Due from related parties	2,993	20,700
<b><i>Debt instrument at fair value through OCI</i></b>		
Quoted debt instrument	17,833	21,274
<b>Total</b>	<b>397,874</b>	<b>404,586</b>
<b>Total current</b>	<b>30,874</b>	<b>54,781</b>
<b>Total non-current</b>	<b>367,000</b>	<b>349,805</b>

Set out below is an overview of financial liabilities held by the Group as at 30 September 2019 and 31 December 2018:

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
<b><i>Financial liabilities at fair value through profit or loss:</i></b>		
Contingent consideration	41,500	48,000
<b><i>Financial liabilities at amortised cost:</i></b>		
Trade and other payables	53,331	45,469
Other long-term payables	61,944	65,860
Non-current liabilities		
Lease liabilities	23,156	-
Non revolving Ijarah term facility	45,824	37,012
Lease liabilities	4,685	-
<b>Total</b>	<b>230,440</b>	<b>196,341</b>
<b>Total current</b>	<b>99,516</b>	<b>93,469</b>
<b>Total non-current</b>	<b>130,924</b>	<b>102,872</b>

#### **Contingent consideration**

The Group has entered into a contractual agreement with the previous selling shareholders of Middlesex Associates FZ-LLC to pay a fixed consideration for each additional student that enrolls with Middlesex University for the period ending 30 September 2019, subject to a maximum cap of AED 73 million. This amount is to be settled by the Group in November 2019.

The Group has estimated the fair value of the contingent consideration payable after considering the Middlesex University's business plans, historic student enrollment rates and external market and economic factors at the reporting date, and accordingly, recorded an amount of AED 6.5 million in profit or loss against reduction in the contingent consideration.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2019

#### 7 CASH AND BANK BALANCES

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
Call deposits with banks	3	3
Current accounts with banks	83,827	66,396
Cash on hand	39	69
<b>Cash and cash equivalents</b>	<b>83,869</b>	<b>66,468</b>
Sharia compliant term deposits	451,500	493,733
Term deposits with conventional banks	36,895	35,936
<b>Cash and bank balances</b>	<b>572,264</b>	<b>596,137</b>

During the period ended 30 September 2019, the Group earned an aggregate profit of AED 11,556 thousand on its Wakala, term and call deposits (2018: AED 25,707 thousand)

#### 8 SHARE CAPITAL

##### *Authorised share capital*

The authorised share capital of the Company is AED 5 billion (2018: AED 5 billion).

##### *Issued share capital*

As at 30 September 2019 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 Company.

#### 9 DIVIDEND

On 24 March 2019, a cash dividend of AED 0.015 per ordinary share was approved by the shareholders at the annual general assembly, as proposed by the Board of Directors in respect of 2018 profit.

#### 10 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit for the period attributable to the equity holders of the Company and number of ordinary shares issued by the Company.

	<i>Nine month period ended 30 September</i>	
	<i>2019 Unaudited</i>	<i>2018 Unaudited</i>
Profit for the period attributable to the equity holders of the Company (AED'000)	33,434	24,286
Number of ordinary shares ('000)	2,500,000	2,500,000
Basic and diluted earnings per share (AED)	0.013	0.0097



# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2019

### 11 COMMITMENTS

#### *Operating lease commitments – Group as lessee*

At 31 December 2018, the future minimum lease payments for non-cancellable operating leases payable by the Group were as follows:

	<i>31 December 2018 AED'000</i>
Due in less than one year	17,080
Due between one and five years	16,122
	<hr/>
Total minimum lease payments	<u>33,202</u>

#### *Finance lease commitments – Group as lessor*

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 45 million for the expansion and improvement of the underlying asset within a contractually agreed time frame.

### 12 RELATED PARTY TRANSACTIONS

The Group, in its normal course of business, enters into transaction with business enterprises that fall within the definition of a 'related party' as contained in International Accounting Standard 24 (Revised). The terms and conditions of these transactions are agreed between the Company and related party. The following is the list of significant transactions and balances with related parties.

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2019 AED'000 (Unaudited)</i>	<i>2018 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>	<i>2018 AED'000 (Unaudited)</i>
<b>Transactions with related parties</b>				
<i>Transactions with key management personnel</i>				
Short term loan extended	-	-	-	500
Post-employment benefits	458	-	961	493
<i>Dividends received from associates</i>				
Dividend received from Sukoon	-	8,994	-	8,994
Dividend received from ADU	8,184	-	8,184	-
Dividend received from IMC	774	5,208	5,208	5,208
Dividend received from Taaleem	-	-	17,876	16,251
<i>Other transactions with associates</i>				
Expenses paid on behalf of Sukoon	-	-	-	673
Expenses paid by Taaleem on behalf of Amanat	-	139	-	218
Expenses paid on behalf of IMC	-	-	61	-
	<hr/>	<hr/>	<hr/>	<hr/>

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

#### 12 RELATED PARTY TRANSACTIONS (continued)

##### Balances outstanding with related parties

	<i>30 September 2019 AED'000 Unaudited</i>	<i>31 December 2018 AED'000 Audited</i>
<b>Due from related parties</b>		
Key management personnel	-	455
<i>Associates</i>		
Sukoon	798	798
Taaleem	218	18,094
IMC	1,353	1,353
Other related parties	624	-
	<u>2,993</u>	<u>20,700</u>
<b>Due to related parties</b>		
Due to NCI Shareholders of LT*	<u>61,944</u>	<u>61,944</u>

\*This balance represents the amount payable by Loai Reda & Hakeem Company for Trading ("LT") to the NCI shareholders in relation to their ownership of IMC shares. The amount payable does not bear any interest charge and does not have any specified maturity.

Director and key management personnel compensation comprise the following:

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2019 AED'000 (Unaudited)</i>	<i>2018 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>	<i>2018 AED'000 (Unaudited)</i>
Short-term benefits	1,851	2,122	5,792	7,311
Post-employment benefits	68	18	216	53

#### 13 OPERATING SEGMENTS

The following tables present revenue and profit information for the Group's operating segments for the nine month periods ended 30 September 2019 and 2018, respectively:

##### *Nine month period ended 30 September 2019*

	<i>Investment AED'000</i>	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Elimination/ Adjustment AED'000</i>	<i>Total AED'000</i>
Revenue	-	87,520	1,850	-	89,370
Segment profit/loss	<u>33,215</u>	<u>28,914</u>	<u>(18,680)</u>	<u>(14,052)</u>	<u>29,397</u>

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2019

#### 13 OPERATING SEGMENTS

Nine month period ended 30 September 2018

	<i>Investment</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Elimination/ Adjustment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Revenue	-	-	-	-	-
Segment profit/(loss)	24,287	(9,808)	(506)	12,322	26,295

The following tables present assets and liabilities information for the Group's operating segments as at 30 September 2019 and 31 December 2018, respectively:

<i>Assets</i>	<i>Investment</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Elimination/ Adjustment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
30 September 2019	2,636,983	65,669	159,401	(42,741)	2,819,312
31 December 2018	2,604,653	75,153	135,212	(8,424)	2,806,594
<i>Liabilities</i>					
30 September 2019	79,801	60,270	89,255	23,634	252,960
31 December 2018	125,747	59,297	50,683	(5,679)	230,048

#### 14 COMPARITIVE FIGURES

Certain comparative figures in the consolidated statement of financial position have been reclassified, where appropriate, to correct the presentation according to IFRS 15. In addition, reclassifications were made in the interim consolidated statement of profit or loss to conform to the current period's presentation. Such reclassifications did not have any impact on the previously reported net assets at 31 December 2018 and results of the Group for the nine month period ended 30 September 2018 and are summarized as follows.

	<i>As previously reported</i> <i>AED'000</i>	<i>Reclassification</i> <i>AED'000</i>	<i>As currently reported</i> <i>AED'000</i>
<i>Consolidated statement of financial position</i>			
Trade and other payables	119,491	(74,022)	45,469
Contract liabilities	-	26,022	26,022
Financial liability at fair value through profit or loss	-	48,000	48,000
<i>Interim consolidated statement of profit or loss</i>			
Employee related expenses	(25,557)	25,557	-
General and administrative expenses	(22,484)	(25,557)	(48,041)

In addition to the above, the Group made changes in the presentation of the interim consolidated statement of profit or loss and elected to present an additional line item to disclose the operating profit.