

AMANAT HOLDINGS PJSC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2020

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 the interim consolidated statement of financial position as at 30 September 2020, and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim consolidated 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.

For Ernst & Young



Signed by:
Ashraf Abu Sharkh
Partner
Registration No. 690

8 November 2020

Dubai, United Arab Emirates

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months period ended 2020

		<i>Three months period ended</i>		<i>Nine months period ended</i>	
		<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>Notes</i>		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts with customers	3	6,266	11,679	99,229	100,024
Direct costs		(13,259)	(9,288)	(51,289)	(50,466)
GROSS (LOSS)/PROFIT		(6,993)	2,391	47,940	49,558
General and administrative expenses	3	(25,642)	(31,065)	(94,784)	(90,005)
Other operating income	3	469	7,503	1,559	9,760
OPERATING LOSS		(32,166)	(21,171)	(45,285)	(30,687)
Share of results of associates	5	8,308	7,423	(827)	29,993
Finance income		9,999	10,508	29,955	32,358
Finance cost		(1,308)	(330)	(3,725)	(2,267)
(LOSS)/PROFIT FOR THE PERIOD		(15,167)	(3,570)	(19,882)	29,397
Attributable to:					
Equity holders of the Company		(12,476)	(1,664)	(11,890)	33,434
Non-controlling interests		(2,691)	(1,906)	(7,992)	(4,037)
		(15,167)	(3,570)	(19,882)	29,397
Basic and diluted earnings per share (AED)	10	(0.0050)	(0.0007)	(0.0048)	0.0130

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the nine months period ended 30 September 2020

	<i>Three months period ended</i>		<i>Nine months period ended</i>	
	<i>30 September 2020 AED'000 (Unaudited)</i>	<i>30 September 2019 AED'000 (Unaudited)</i>	<i>30 September 2020 AED'000 (Unaudited)</i>	<i>30 September 2019 AED'000 (Unaudited)</i>
(LOSS)/PROFIT FOR THE PERIOD	(15,167)	(3,570)	(19,882)	29,397
Other comprehensive loss				
<i>Items that would not be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value of financial asset at FVOCI	(992)	628	(5,459)	(3,441)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(16,159)	(2,942)	(25,341)	25,956
Attributable to:				
Equity holders of the Company	(13,468)	(1,036)	(17,349)	29,993
Non-controlling interests	(2,691)	(1,906)	(7,992)	(4,037)
	(16,159)	(2,942)	(25,341)	25,956

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

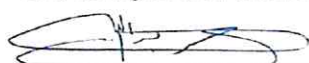
Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

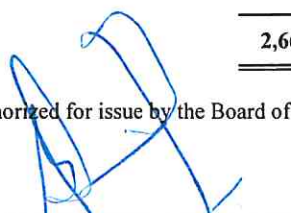
As at 30 September 2020

	<i>Notes</i>	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
ASSETS			
Non-current assets			
Property and equipment		130,799	134,933
Right-of-use assets		18,115	25,151
Goodwill and intangible asset	4	482,474	485,849
Investments in associates	5	1,100,152	1,107,774
Finance lease receivables	6	368,781	336,417
Financial asset at fair value through OCI	6	10,257	15,716
Total non-current assets		2,110,578	2,105,840
Current assets			
Finance lease receivables		30,598	28,806
Trade and other receivables	6	20,101	31,551
Due from related parties	12	1,227	26,558
Cash and bank balances	7	504,301	571,702
Total current assets		556,227	658,617
TOTAL ASSETS		2,666,805	2,764,457
EQUITY AND LIABILITIES			
Equity			
Share capital	8	2,500,000	2,500,000
Share premium	8	251	-
Treasury shares	8	(6,200)	-
Statutory reserve		29,144	29,144
Fair value reserve		(26,492)	(21,033)
(Accumulated losses)/retained earnings		(11,100)	55,790
Total equity attributable to the equity holders of the Company		2,485,603	2,563,901
Non-controlling interests		8,872	16,864
Total equity		2,494,475	2,580,765
Liabilities			
Non-current liabilities			
Bank financing	6	59,967	57,152
Other long-term payables	6	4,013	3,916
Lease liabilities	6	17,923	18,227
Provision for employees' end of service benefits		9,116	7,959
Total non-current liabilities		91,019	87,254
Current liabilities			
Bank overdraft	7	10,992	-
Accounts and other payables	6	49,452	30,531
Contract liabilities		19,915	31,310
Due to related parties	12	629	3,247
Lease liabilities	6	323	3,500
Financial liability at fair value through profit or loss		-	27,850
Total current liabilities		81,311	96,438
Total liabilities		172,330	183,692
TOTAL EQUITY AND LIABILITIES		2,666,805	2,764,457

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 8 November 2020 and signed on its behalf by:



Hamad Al Shamsi
Chairman



Shamsheer Vayalil
Vice Chairman

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 2020

Attributable to the equity holders of the Company

	<i>Share capital AED '000</i>	<i>Share premium AED '000</i>	<i>Treasury shares AED '000</i>	<i>Statutory reserve AED '000</i>	<i>Fair value reserve AED '000</i>	<i>Accumulated losses AED '000</i>	<i>Total Equity AED '000</i>	<i>Non-controlling interests AED '000</i>	<i>Total AED '000</i>
As at 1 January 2020 – <i>Audited</i>	2,500,000	-	-	29,144	(21,033)	55,790	2,563,901	16,864	2,580,765
Loss for the period	-	-	-	-	-	(11,890)	(11,890)	(7,992)	(19,882)
Other comprehensive loss	-	-	-	-	(5,459)	-	(5,459)	-	(5,459)
Total comprehensive loss for the period	-	-	-	-	(5,459)	(11,890)	(17,349)	(7,992)	(25,341)
Treasury shares (Note 8)	-	251	(6,200)	-	-	-	(5,949)	-	(5,949)
Dividend declared (Note 9)	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
As at 30 September 2020 – <i>Unaudited</i>	2,500,000	251	(6,200)	29,144	(26,492)	(11,100)	2,485,603	8,872	2,494,475

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 2019

	<i>Attributable to the equity holders of the Company</i>					<i>Non-controlling interests</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
	<i>Share capital</i> <i>AED '000</i>	<i>Legal reserve</i> <i>AED '000</i>	<i>Fair value reserve</i> <i>AED '000</i>	<i>Retained earnings</i> <i>AED '000</i>	<i>Total equity</i> <i>AED '000</i>		
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	-	-	-	2,120	2,120	-	2,120
As at 30 September 19 – <i>Unaudited</i>	<u>2,500,000</u>	<u>23,142</u>	<u>(18,916)</u>	<u>36,689</u>	<u>2,540,915</u>	<u>25,437</u>	<u>2,566,352</u>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months period ended 30 September 2020

	<i>Nine months ended 30 September</i>	
	<i>2020 AED'000 Unaudited</i>	<i>2019 AED'000 Unaudited</i>
OPERATING ACTIVITIES		
(Loss)/profit for the period	(19,882)	29,397
<i>Adjustments for:</i>		
Share of results of associates	827	(29,993)
Depreciation of property and equipment and right-of-use assets	16,275	21,183
Amortization of intangible asset	3,375	-
Provision for employees' end of service benefits	1,576	518
Interest income from deposits	(7,208)	(11,722)
Dividend income	(350)	(1,891)
Interest income from finance lease	(22,669)	(20,636)
Finance cost on lease liabilities	968	1,314
Finance cost on bank financing	3,725	2,262
Reversal of contingent consideration	-	(6,500)
	(23,363)	(16,068)
Due from related parties	25,331	17,707
Trade and other receivables	10,938	11,813
Accounts and other payables and contract liabilities	7,623	(6,867)
Due to related parties	(2,618)	-
	17,911	6,585
Cash from operations	17,911	6,585
Employees' end of service benefits paid	(419)	(892)
Interest received on call and term deposits with conventional banks	2,278	842
Income received on sharia compliant term deposits	4,930	10,880
	24,700	17,415
INVESTING ACTIVITIES		
Acquisition of property and equipment	(5,105)	(15,031)
Investment in finance lease	(17,960)	-
Lease payments received	6,985	-
Changes in wakala and term deposits with original maturity of more than 3 months	134,769	41,274
Settlement of financial liability at fair value through profit or loss	(27,850)	-
Dividend income received from equity accounted investees	6,795	13,388
Dividend received from investment at FVOCI	350	1,891
	97,984	41,522
FINANCING ACTIVITIES		
Dividend paid	(55,000)	(38,270)
Proceeds from borrowings	2,815	8,812
Payment of lease liabilities	(4,449)	(9,816)
Change in other cash balance	(15,295)	-
Acquisition of treasury shares, net	(5,949)	-
Finance cost paid	(3,725)	(2,262)
	(81,603)	(41,536)
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,081	17,401
Cash and cash equivalents at the beginning of the period	127,438	66,468
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	168,519	83,869

The attached notes 1 to 15 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 (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 months ended 30 September 2020 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 in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2019.

The interim condensed consolidated financial statements include the asset, liabilities and result of operation of the Group’s subsidiaries: Middlesex Associates FZ L.L.C (“Middlesex University”) and Royal Maternity Hospital Holding W.L.L (“Royal Maternity Hospital”).

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 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Amendments to IAS 1 and IAS 8: Definition of Material (continued)

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated financial statements of the Group.

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.

2.4 New accounting policy adopted by the Group

As mentioned in Note 8.2, during the current period, the Company acquired own equity instruments, for which it applied the below accounting policy:

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium or discount.

3 PROFIT OR LOSS

3.1 Revenue

Revenue comprises the following:

- Fee earned from academic services and other related services provided by the Company's subsidiary, Middlesex University, in the amount of AED 91,287 thousand (2019: AED 98,233 thousand), which represent services transferred over time.
- Revenue earned from healthcare services and other related services provided by the Company's subsidiary, Royal Maternity Hospital, in the amount of AED 7,942 thousand (2019: 1,791 thousand), which represent services transferred at a point in time.

Amanat Holdings PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020

3 PROFIT OR LOSS (continued)

3.2 General and administrative expenses

	<i>Nine months ended 30 September</i>	
	<i>2020</i>	<i>2019</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Employee related expenses (1)	44,951	43,637
Transaction related costs (2)	11,019	7,803
Other expenses (3)	38,814	38,565
	94,784	90,005

(1) This amount includes the subsidiaries' related expenses of AED 26,729 thousand (2019: AED 19,307 thousand).

(2) This amount includes transaction related costs incurred in Amanat Holdings PJSC only.

(3) This amount includes the subsidiaries' related expenses of AED 25,593 thousand (2019: AED 25,715 thousand).

3.3 Other operating income

	<i>Nine months ended 30 September</i>	
	<i>2020</i>	<i>2019</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Student miscellaneous income	666	1,310
Dividend income from investment at FVOCI	350	1,891
Other income related to healthcare activities	543	59
Change in fair value of contingent consideration	-	6,500
	1,559	9,760

4 GOODWILL AND INTANGIBLE ASSET

4.1 Goodwill

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

	<i>30 September 2020</i>	<i>31 December 2019</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Middlesex University	276,770	276,770
Royal Maternity Hospital	82,012	82,012
	358,782	358,782

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2019.

As at 30 September 2020, the management has not identified circumstances that may indicate that the carrying value of goodwill may be impaired.

4 GOODWILL AND INTANGIBLE ASSET (continued)

4.2 Intangible asset

Intangible asset with net carrying amount of AED 123,692 thousand (December 2019: 127,067 thousand) comprises intangible asset acquired through business combination of Middlesex University and represents the fair value of a long-term agreement with a useful life of 30 years from the date of acquisition.

5 INVESTMENTS IN ASSOCIATES

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

	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
Sukoon International Holding Company ("Sukoon")	158,532	182,347
Taaleem Holdings PrJSC ("Taaleem")	191,333	186,734
International Medical Center ("IMC")	382,971	383,286
Abu Dhabi University Holding LLC ("ADU")	367,316	355,407
	<u>1,100,152</u>	<u>1,107,774</u>

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

	<i>Nine months ended 30 September</i>	
	<i>2020 AED'000 Unaudited</i>	<i>2019 AED'000 Unaudited</i>
Sukoon International Holding Company ("Sukoon")	(23,812)	(2,326)
Taaleem Holdings PrJSC ("Taaleem")	4,596	11,654
International Medical Center ("IMC")	(315)	11,852
Abu Dhabi University Holding LLC ("ADU")	18,704	8,813
	<u>(827)</u>	<u>29,993</u>

Amanat Holdings PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020

5 INVESTMENTS IN ASSOCIATES (continued)

The movement in the investments in associates is as follows:

	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
At the beginning of the period	<u>1,107,774</u>	<u>1,171,029</u>
Share of results	3,889	49,808
Amortization of PPA assets	(4,716)	(6,298)
Share of results in profit or loss	<u>(827)</u>	<u>43,510</u>
Share of other comprehensive income	-	1,366
Dividends	(6,795)	(39,641)
Other equity adjustments	-	(2,852)
Disposals	-	(65,638)
At the end of the period	<u><u>1,100,152</u></u>	<u><u>1,107,774</u></u>

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 2020 and 31 December 2019:

	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
<i>Debt instruments at amortised cost:</i>		
Trade receivables	8,964	10,594
Deposits and prepayments	3,301	10,437
Other current assets	7,836	10,520
Finance lease receivable	399,379	365,223
Due from related parties	1,227	26,558
<i>Debt instrument at fair value through OCI</i>		
Quoted debt instrument	<u>10,257</u>	<u>15,716</u>
Total	<u><u>430,964</u></u>	<u><u>439,048</u></u>
Total current	<u>51,926</u>	86,915
Total non-current	<u><u>379,038</u></u>	<u><u>352,133</u></u>

Amanat Holdings PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2020

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below is an overview of financial liabilities held by the Group as at 30 September 2020 and 31 December 2019:

	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
<i>Financial liabilities at fair value through profit or loss :</i>		
Contingent consideration	-	27,850
<i>Financial liabilities at amortised cost:</i>		
Accounts and other payables	49,452	30,531
Other long-term payables	4,013	3,916
Due to related parties	629	3,247
Interest bearing loans and borrowings		
Lease liabilities	18,246	21,727
Non-revolving Ijarah term facility	59,967	57,152
Bank overdraft	10,992	-
Total	143,299	144,423
Total current	61,396	65,128
Total non-current	81,903	79,295

7 CASH AND BANK BALANCES

	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
Cash on hand	78	122
Current accounts with banks	54,128	127,313
Call deposits with banks	-	3
Cash balance held with a third-party (Note 8)	15,295	-
Sharia compliant term deposits	315,487	382,369
Non-Sharia compliant term deposits	119,313	61,895
Cash and bank balances	504,301	571,702
Less: Sharia compliant term deposits	(200,233)	(382,369)
Less: Non-Sharia compliant term deposits	(109,262)	(61,895)
Less: Cash balance held with a third-party (Note 8)	(15,295)	-
Less: Bank overdraft	(10,992)	-
Cash and cash equivalents	168,519	127,438

During the period ended 30 September 2020, the Group earned an aggregate profit of AED 7,208 thousand on its Sharia compliant term deposits, non-Sharia compliant term deposits and call deposits (2019: AED 11,556 thousand).

8 SHARE CAPITAL AND TREASURY SHARES**8.1 Share capital***Authorised share capital*

The authorised share capital of the Company is AED 5 billion (2019: AED 5 billion).

Issued share capital

As at 30 September 2020 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.

8.2 Treasury shares

During the period ended 30 September 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity providing 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 30 September 2020, the Market Maker held 7,877,887 of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 6,200 thousand and classified under equity as treasury shares at 30 September 2020. Net gain of AED 251 thousand from the disposal of shares during the period has been recognized as Share Premium under equity. 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.

9 DIVIDEND

On 28 April 2020, a cash dividend of AED 0.02 per ordinary share (2019: 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 2019.

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 months ended 30 September</i>	
	<i>2020</i>	<i>2019</i>
	<i>Unaudited</i>	<i>Unaudited</i>
(Loss)/Profit for the period attributable to the equity holders of the Company (AED'000)	<u>(11,890)</u>	<u>33,434</u>
Weighted number of ordinary shares* ('000)	<u>2,494,284</u>	<u>2,500,000</u>
Basic and diluted earnings per share (AED)	<u>(0.0048)</u>	<u>0.0130</u>

* The weighted average number of shares in 2020 takes into account the weighted average effect of changes in treasury shares during the period.

11 COMMITMENTS

As part of the Group's purchase and lease back agreement for a school building complex with a third party, the Group had entered into an AED 32.5 million financing agreed to be extended by the Group towards the expansion of the leased asset, out of which AED 10 million were paid in 2019. During 2020, the Group extended additional AED 17.5 million as part of the financing agreement, whereby the remaining commitment of AED 5 million is expected to be extended during the fourth quarter of 2020.

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.

Balances outstanding with related parties

	<i>30 September 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
<i>Due from related parties</i>		
Associates		
Sukoon	798	798
Taaleem	218	16,468
IMC	11	4,835
ADU	-	4,339
Other related parties	200	118
	<u>1,227</u>	<u>26,558</u>
<i>Due to related parties</i>		
Other related parties	<u>629</u>	<u>3,247</u>

Transactions with related parties

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2020 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>	<i>2020 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>
<i>Associates</i>				
Expenses paid on behalf of IMC	-	-	-	61
Dividend received from ADU	5,250	8,184	6,795	8,184
Dividend received from Taaleem	-	-	-	17,876
Dividend received from IMC	-	774	-	5,208
	<u>-</u>	<u>8,958</u>	<u>6,795</u>	<u>23,269</u>

12 RELATED PARTY TRANSACTIONS (continued)

Director and key managerial persons' compensation comprised the following:

	<i>Three months period ended 30 September</i>		<i>Nine months period ended 30 September</i>	
	<i>2020 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>	<i>2020 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>
Short-term benefits	1,963	2,354	8,383	14,344
Post-employment benefits	83	393	284	927

13 SEGEMENT INFORMATION

The following tables presents revenue and profit information for the Group's operating segments for the nine months ended 30 September 2020 and 2019, respectively:

Nine months ended 30 September 2020 - Unaudited

	<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	-	91,287	7,942	-	99,229
Segment profit/(loss)	(11,890)	16,526	(26,082)	1,564	(19,882)

Nine months ended 2019 - Unaudited

	<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	-	98,232	1,792	-	100,024
Segment profit/(loss)	33,435	19,737	(19,797)	(3,978)	29,397

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2020 and 31 December 2019, respectively:

	<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>
Assets					
30 September 2020- Unaudited	2,499,497	43,949	148,023	(24,664)	2,666,805
31 December 2019- Audited	2,602,850	69,142	164,782	(72,317)	2,764,457
Liabilities					
30 September 2020 - Unaudited	(14,911)	(50,258)	(120,750)	13,589	(172,330)
31 December 2019 - Audited	40,014	53,061	109,743	(19,126)	183,692

14 COMPARATIVE FIGURES

Certain 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 2019 and results of the Group for the nine-month period ended 30 September 2019 and are summarized as follows.

	<i>As previously reported AED'000</i>	<i>Reclassification AED'000</i>	<i>As currently reported AED'000</i>
<i>Interim consolidated statement of profit or loss</i>			
Revenue from contracts with customers	89,370	10,654	100,024
Direct costs	(33,109)	(17,357)	(50,466)
General and administrative expenses	(110,415)	20,410	(90,005)
Other operating income	22,514	(12,754)	9,760
Finance costs	(1,314)	(953)	(2,267)

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.

15 RISK MANAGEMENT

The ongoing novel coronavirus (Covid-19) situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of authorisation of these interim condensed consolidated financial statements.

The Group has considered the potential impact (based on the best available information) of the uncertainties caused by the Covid-19 pandemic and taken in to account the economic support and relief measures of governments.

Notwithstanding, these developments could further impact the future financial results, cash flows and financial position of the Group.