Amanat Holdings PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

Directors' Report

The Board of Directors of Amanat Holdings PJSC (the "Company") and its subsidiaries (the "Group") is pleased to submit the consolidated financial statements of the Group as at and for the year ended 31 December 2019, which comprise the consolidated statement of financial position, income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and related notes.

Principal activities

The principal activities of the Group during the year ended 31 December 2019 were to invest in companies and enterprises in the sectors of education and healthcare and managing, developing and operating such companies and enterprises.

Financial Results

The Group recorded a profit attributable to equity holders of the company of AED 60.0 million for the financial year 2019, up 39.8% compared with AED 42.9 in FY 2018.

Amanat's total income grew to AED 112.9 million (net PPA amortization), a 4.5% increase compared to the same period in 2018 Amanat's share of profit from associates declined to AED 43.5 million in FY 2019 from AED 57.2 million in 2018 mainly driven by Sukoon, as a result of the decline in the long-term care provider's revenues by 27.2% y-o-y. Lower revenues were driven by the initiation of a full refurbishment of the facility which reduced existing capacity, in addition to a re-categorization of patient treatments by the Ministry of Health in August 2019 which led to a requirement to reduce prices.

Middlesex University Dubai ("MDX") contributed AED 23.6 million to Amanat's income from subsidiaries for FY 2019 (net of PPA amortization), up almost threefold compared to the AED 6.8 million contributed in FY 2018 and representing a 14.6% y-o-y increase annualized against the university's full-year 2018 accounts. The strength was driven mainly by higher enrollments following the introduction of new programs.

Interest income from termed deposits recorded AED 15.4 million in FY-2019, a 48.8% decline compared to the same period last year on account of lower cash balances following the deployment of AED 1.2 billion in investments (ADU, NLCS, MDX and RHWC) during 2018 as well as lower interest rates in 2019.

Total expenses recorded in FY 2019 were AED 51.7 million (excluding PPA amortization of AED 6.2 million), down by 16% compared to AED 61.5 million in FY 2018. Lower expenses were driven by an 11% decline in staff costs to AED 29.2 million, and an 8% decline in G&A expenses to AED 16.7 million following a series of cost reduction initiatives taken by management at the Holding level. Project expenses also declined 45% to AED 5.8 million from leveled 10.6 million recorded in 2018 with the deployment of AED 1.2 billion.

Amanat up to 31 December 2019 has deployed AED 2.0 billion on strategic investments in Healthcare and Education across the UAE, Saudi Arabia and Bahrain, representing 80 per cent of its paid in capital.

Total equity attributable to the owners of the company as at 31 December 2019 amounted to AED 2,564 million prior to proposed dividend.

In accordance with the Articles of Association of the Company, 10% of profit for the year is transferred to 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 6 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 13 February 2020 the audited 2019 financials. The Board has proposed a cash dividend of AED 2.2 fils per share amounting to a total payout of AED 55 million and up 46.7%, which is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

Outlook

The focus in 2019 was on integrating and aligning our portfolio companies, both operationally and strategically, particularly after having deployed over AED 1.2 billion across four investments in 2018. We successfully supported our portfolio companies to advance their service offering and operational performance and we have made significant headway during the year enabling us to deliver an increase in our net profit.

Looking ahead, Amanat will continue to build on its strong portfolio of healthcare and education assets in the region with the aim of growing them into distinct investment platforms through a combination of scale, synergy and expertise. We are confident that we have the capital structure, investment acumen and talent to allow us to deliver on our strategy and continue creating long-term value for our stakeholders.

We look forward to working with our portfolio companies to deliver growth while focusing on further deployment and debt raising to execute on a strong pipeline of opportunities. In parallel, Amanat's management will continue to work on cost optimization and operational efficiency at the group level to help maintain its lean structure and maximize shareholder returns.

Directors

HE. Hamad Abdulla Al Shamsi	Chairman
Dr. Shamsheer Vayalil	Vice Chairman and Managing Director
HE. Mohamed Bin Thaaloob Al Derei	Board Director
H.E. Hamad Rashed Nehail Al Nuaimi	Board Director
H.E. Hamad Buamim	Board Director
Mrs. Sara Khalil Nooruddin	Board Director

Auditors

Ernst & Young were appointed as external auditors for the Group for the period ended 31 December 2019. The Board of Directors has recommended Ernst & Young as the auditors for 2020 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Hamad Abdulla Al Shamsi
Chairman
Dubai, United Arab Emirates
13 February 2020

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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 2019, 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 2019, 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.

Other Matter

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 opinion on those statements on 13 February 2019.

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 2019. 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.

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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

Investments in Associates

As stated in note 11 to the consolidated financial statements, The Group holds significant equity accounted investments accounted for in accordance with IAS 28, 'Investments in associates and joint ventures' carried at AED 1,107,774 thousand at 31 December 2019 and have contributed AED 43,510 thousand to the Group's results for the year then ended. The equity accounted investments do not all have year-ends that are coterminous with that of the Group. For the purpose of the audit of the consolidated financial statements of the Group, the associates with different year-ends than that of the Group have prepared management accounts as at and for the year ended 31 December 2019, which have been used by the Group to account for its share of results and other movements in the investments in associates. Accounting for equity accounted investments was a matter of most significance due to the significant contribution of the associate investments to the consolidated results of the Group, the impact these have on the Group's results, the significance of the carrying values of these investments at the reporting date, and the fact that a number of these investments have year-ends that are not coterminous with that of the Group.	We issued audit and/or review instructions to the component auditors of the all equity accounted investments. The instructions covered the significant audit areas that the component auditors should focus on, as well as the information required to be reported back to the Group audit team. Throughout the audit, various planning, execution and completion calls and discussions were held with the component auditors of the equity accounted investment components. We assessed the competence, knowledge and experience of the component audit teams, and performed a review of significant audit areas to assess the adequacy of the procedures performed in pursuit of our audit opinion. We obtained the equity accounted results and movements recorded by the Group and agreed them to the audited/reviewed financial results of the underlying equity accounted investments. We also re-performed manual calculations, including lag period adjustments prepared by management, where required, to test that the equity accounted results are accurate, complete and in line with IFRS. We understood management's process and independently assessed the accounting policies of the associates to that of the Group to ensure consistency with the Group accounting policies and compliance with IFRS.

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
Goodwill	
As stated in note 10 to the consolidated financial statements, the Group's consolidated statement of financial position includes AED 358,782 thousand of goodwill, representing 13% 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 goodwill may not be recoverable. This is a key audit matter as determining whether the carrying value of goodwill is recoverable requires management to make significant estimates concerning the estimated 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 model and the extraction of inputs from source documents; • Challenged the key assumptions used in the impairment model for goodwill, including specifically the operating cash flow projections, discount rate, and terminal growth rate; • 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; • We assessed the adequacy of the related disclosures in the consolidated financial statements; and • In the absence of cash flow projections, we reviewed the alternative assessment methodology and assumptions and judgments used to determine the sufficiency of the assessment process and results derived.

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, during the year, the Group completed the fair value measurement of the assets acquired and the liabilities assumed as a result of the acquisition of two subsidiaries in 2018 i.e. Middlesex University and Royal Maternity Hospital, and the related allocation (Purchase Price Allocation - "PPA ") of these values in accordance with IFRS 3 - Business Combinations. Completion of the measurement process carried out by the Group's management, also with the support of an external consultant, has resulted in an increase in the fair value of the net assets acquired of AED 8,832 thousand, compared with the total consideration of AED 418,902 thousand. The allocation of PPA values has resulted in the recognition of a separately identified intangible asset of AED 133,300 thousand. In accordance with IFRS 3, the above-mentioned fair values have been recognized retrospectively and back-dated to the date of acquisition, resulting in the restatement and upward adjustment of the assets previously included within goodwill and intangible assets in the consolidated statement of financial position as at 31 December 2018. In consideration of the significance of the transaction, combined with the degree of judgement associated mainly with the determination of the fair value of the net assets acquired, we considered this issue to be a key audit matter for the consolidated financial statements as at and for the year ended 31 December 2019.	We assessed management's accounting treatment as well as the purchase price allocation. Specifically our work included, but was not limited to, the following procedures: • Engaged our internal valuation specialist to assist us in the audit of the purchase price allocation and discount rates used; • Assessed the valuation model, the cash flow forecasts, and the key assumptions used in the calculation of the intangible asset's fair value; • Assessed the competence, capabilities and objectivity of the external expert involved in the PPA valuation process; and • Checked the adequacy and completeness of the disclosure provided by the Group in the consolidated financial statements compared with the provisions of IFRS 3.

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.

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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 has not invested in shares or stocks during the year ended 31 December 2019;

vi) Notes 11 and 15 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 2019 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 2019; and

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

For Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration number: 690

13 February 2020

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2019

	Notes	***2019*** ***AED'000***	*2018* *AED'000*
Revenue from contracts with customers	4	**142,103**	46,274
Direct costs	4	**(60,073)**	(24,037)
GROSS PROFIT		**82,030**	22,237
General and administrative expenses	5	**(133,430)**	(79,835)
Other operating income	6	**22,604**	3,681
OPERATING LOSS		**(28,796)**	(53,917)
Share of results of associates	11	**43,510**	57,236
Finance income	7	**42,098**	43,486
Finance costs	7	**(4,632)**	(417)
PROFIT FOR THE YEAR		**52,180**	46,388
Attributable to:			
Equity holders of the Company		**60,023**	42,928
Non-controlling interest	28	**(7,843)**	3,460
		52,180	46,388
Basic and diluted earnings per share (AED)	22	**0.0240**	0.0171

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Notes	***2019*** ***AED'000***	*2018* *AED'000*
PROFIT FOR THE YEAR		**52,180**	46,388
Other comprehensive loss			
Items that would not be reclassified to profit or loss in subsequent periods:			
Change in fair value of financial asset at FVOCI	12	**(5,558)**	(11,481)
Share of other comprehensive income of associates	11	**1,366**	-
Total other comprehensive loss		**(4,192)**	(11,481)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**47,988**	34,907
Attributable to:			
Equity holders of the Company		**55,831**	31,447
Non-controlling interests		**(7,843)**	3,460
		47,988	34,907

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Notes	2019 AED'000	2018 AED'000
ASSETS			
Non-current assets			
Property and equipment	8	**134,933**	133,207
Right-of-use assets	9	**25,151**	-
Goodwill and intangible assets	10	**485,849**	492,082
Investments in associates	11	**1,107,774**	1,171,029
Finance lease receivables	9	**336,417**	328,531
Financial asset at fair value through OCI	12	**15,716**	21,274
Total non-current assets		**2,105,840**	2,146,123
Current assets			
Finance lease receivables	9	**28,806**	-
Trade and other receivables	13	**31,551**	43,634
Due from related parties	14	**26,558**	20,700
Cash and bank balances	15	**571,702**	596,137
Total current assets		**658,617**	660,471
TOTAL ASSETS		**2,764,457**	2,806,594
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**2,500,000**	2,500,000
Statutory reserve	17	**29,144**	23,142
Fair value reserve of financial asset at FVOCI		**(21,033)**	(15,475)
Retained earnings		**55,790**	38,635
Total equity attributable to the owners of the Company		**2,563,901**	2,546,302
Non-controlling interests	29	**16,864**	30,244
Total equity		**2,580,765**	2,576,546
LIABILITIES			
Non-current liabilities			
Bank financing	18	**57,152**	37,012
Other long-term payables	19	**3,916**	65,860
Lease liabilities	9	**18,227**	-
Provision for employees' end of service benefits	20	**7,959**	7,685
Total non-current liabilities		**87,254**	110,557
Current liabilities			
Accounts and other payables	21	**30,531**	40,272
Contract liabilities	4	**31,310**	31,219
Due to related parties	14	**3,247**	-
Lease liabilities	9	**3,500**	-
Financial liability at fair value through profit or loss	10	**27,850**	48,000
Total current liabilities		**96,438**	119,491
Total liabilities		**183,692**	230,048
TOTAL EQUITY AND LIABILITIES		**2,764,457**	2,806,594

These consolidated financial statements were approved by the Board of Directors on 13 February 2020 and signed by:

Hamad Al Shamsi
Chairman

Shamsheer Vayalil
Vice Chairman

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 2019

	Attributable to the equity holders of the Company								
	Share capital AED'000	*Statutory reserve AED'000*	*Share issuance reserve AED'000*	*Fair value reserve of AFS investment AED'000*	*Fair value reserve of financial asset at FVOCI AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total AED'000*
As at 1 January 2018	2,500,000	13,131	5,718	(3,994)	-	43,176	2,558,031	1,778	2,559,809
Effect of adoption of IFRS 9	-	-	-	3,994	(3,994)	-	-	-	-
Profit for the year	-	-	-	-	-	42,928	42,928	3,460	46,388
Other comprehensive loss	-	-	-	-	(11,481)	-	(11,481)	-	(11,481)
Total comprehensive income	-	-	-	-	(11,481)	42,928	31,447	3,460	34,907
Transfer to statutory reserve (Note 17)	-	10,011	(5,718)	-	-	(4,293)	-	-	-
Dividends (Note 23)	-	-	-	-	-	(43,176)	(43,176)	(1,541)	(44,717)
Acquisition of subsidiary (Note 10)	-	-	-	-	-	-	-	26,547	26,547
As at 31 December 2018	2,500,000	23,142	-	-	(15,475)	38,635	2,546,302	30,244	2,576,546
Effect of adoption of IFRS 16 (Note 2)	-	-	-	-	-	2,120	2,120	-	2,120
As at 1 January 2019 (adjusted)	2,500,000	23,142	-	-	(15,475)	40,755	2,548,422	30,244	2,578,666
Profit for the year	-	-	-	-	-	60,023	60,023	(7,843)	52,180
Other comprehensive loss	-	-	-	-	(5,558)	1,366	(4,192)	-	(4,192)
Total comprehensive income	-	-	-	-	(5,558)	61,389	55,831	(7,843)	47,988
Transfer to statutory reserve (Note 18)	-	6,002	-	-	-	(6,002)	-	-	-
Dividends (Note 23)	-	-	-	-	-	(37,500)	(37,500)	(1,843)	(39,343)
Disposal of subsidiary (Note 10)	-	-	-	-	-	-	-	(3,694)	(3,694)
Group's share of other equity movement of an associate (Note 11)	-	-	-	-	-	(2,852)	(2,852)	-	(2,852)
As at 31 December 2019	**2,500,000**	**29,144**	-	-	**(21,033)**	**55,790**	**2,563,901**	**16,864**	**2,580,765**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Notes	2019 AED'000	2018 AED'000
OPERATING ACTIVITIES			
Profit for the year		**52,180**	46,388
Adjustments:			
Share of results of associates	11	**(43,510)**	(57,236)
Dividend income	6	**(342)**	(2,535)
Depreciation of property and equipment	8	**9,307**	2,000
Depreciation of right-of-use assets	9	**10,488**	-
Amortization of intangible asset	10	**6,233**	-
Allowance for expected credit losses	13	**3,221**	1,764
Remeasurement gain on financial liability at FVTPL	6	**(20,150)**	-
Provision for employees' end of service benefits	20	**2,134**	1,249
Finance income	7	**(42,098)**	(43,486)
Finance costs	7	**4,632**	417
		(17,905)	(51,439)
Trade and other receivables		**(1,579)**	(7,225)
Due from related parties		**337**	195
Accounts and other payables and contract liabilities		**(9,650)**	5,169
Due to related parties		**3,247**	-
Cash used in operations		**(25,550)**	(53,300)
Employees' end of service benefits paid	20	**(1,860)**	(768)
Net cash flows used in operating activities		**(27,410)**	(54,068)
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	**(11,033)**	(2,757)
Consideration paid for investments in associates	11	**-**	(320,390)
Acquisition of subsidiary, net of cash acquired		**-**	(484,393)
Investment in finance lease	9	**(10,000)**	(315,124)
Changes in Sharia compliant term deposits		**111,364**	(428,733)
Changes in bank term deposits		**(25,959)**	1,608,398
Interest received on Sharia compliant term deposits		**22,372**	44,442
Interest received on bank deposits		**1,565**	3,156
Dividend received from associates		**33,446**	34,115
Dividend received from financial asset at FVOCI		**2,252**	1,564
Net cash flows from investing activities		**124,007**	140,278
FINANCING ACTIVITIES			
Dividend paid to equity holders of the Company	23	**(37,500)**	(43,176)
Dividend paid to non-controlling interests	28	**(1,843)**	(1,541)
Proceeds from bank financing		**57,152**	12,662
Repayment of bank financing		**(37,012)**	-
Payment of lease liabilities	9	**(13,823)**	-
Finance costs paid		**(2,601)**	-
Net cash flows used in financing activities		**(35,627)**	(32,055)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**60,970**	54,155
Cash and cash equivalents at 1 January		**66,468**	12,313
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**127,438**	66,468

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 P.O. Box 121012, Dubai, United Arab Emirates.

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 subsidiaries as listed below (collectively the "Group").

Name	**Equity interest**		**Country of incorporation**	**Principal Activities**
	2019	*2018*		
Amanat Investments L.L.C.	***100%***	*100%*	United Arab Emirates	Investment in commercial enterprises and management.
Amanat Education Investments L.L.C.	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Amanat Healthcare Investments L.L.C.	***100%***	*100%*	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
Amanat H.H. Alpha Investments L.L.C.	***100%***	*100%*	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
Amanat H.E. Alpha Investments L.L.C.	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Talent Investments L.L.C	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
A.H.H. Investments Limited	***100%***	*100%*	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
A.H.E. Investments Limited	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AHH Alpha Limited	***100%***	*100%*	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
AHE Alpha Limited	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AH Alpha Investments (Holdings) 1 Limited	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.

1 CORPORATE INFORMATION (continued)

Name	Equity interest		Country of incorporation	Principal Activities
	2019	*2018*		
AH Alpha investments (Holdings) 2 Limited	*100%*	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AHE Ethos Limited	*100%*	*100%*	United Arab Emirates	Investment in companies in the field of healthcare.
AH Alpha Investments (Holdings) 3 Limited	*100%*	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Osool Alseha Wal Taaleem for Investments Ltd. ("Osool")	*100%*	*100%*	Kingdom of Saudi Arabia	Investment in companies in the field of healthcare.
Loai Reda & Hakeem Company for Trading Ltd. ("LT')**	-	*85.20%*	Kingdom of Saudi Arabia	Investment in companies in the field of healthcare.
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 Maternity Hospital Holding W.L.L. ("RMH")*	*69.36%*	*69.36%*	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

* Investment in RMH is through Maternity Holding Company Ltd. and WMCE.

The Group has interest in the following associates as disclosed in more details in Note 11:

Name	Equity interest		Country of incorporation	Principal Activities
	2019	*2018*		
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%*	*21.67%*	United Arab Emirates	Leading education provider in U.A.E
International Medical Center**	*13.13%*	*13.18%*	Kingdom of Saudi Arabia	Hospital and healthcare facilities in KSA
Abu Dhabi University Holding LLC	*35%*	*35%*	United Arab Emirates	Leading tertiary education provider in U.A.E

** At 31 December 2018, the investment in International Medical Center is through Loai Reda & Hakeem Company for Trading Ltd (LT). During 2019, the Group disposed of its investment in the subsidiary Loai Reda & Hakeem Company for Trading Ltd. while retaining 13.18% direct interest in IMC through its 100% owned subsidiary, Osool. Refer Note 11 for more details.

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 asset at FVOCI and contingent consideration 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.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2018 has not been presented in these consolidated financial statements given that the reclassifications made did not have any impact on the previously reported assets, liabilities, equity and results of the year and the retrospective adjustment to the provisional amount of goodwill recognized in 2018 was not material (Refer Notes 10 and 30 for details about such reclassifications and adjustments).

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. 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.

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 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments in associates (continued)

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 from contracts with customers

Revenue from contracts with customers 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 fee
Revenue from tuition fee is recognized 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 from contracts with customers (continued)

Healthcare services
Revenue from healthcare services is recognized at a 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 euros 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

Before 1 January 2019
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019
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 infrastructure 3 to 5 years
- Land 45 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Leases (continued)

From 1 January 2019 (continued)

Group as a lessee (continued)

Lease liabilities (continued)
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.

Before and from 1 January 2019
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.

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)

Initial recognition and measurement (continued)
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 from contracts with customers.

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.

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 equity investment under this category.

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)

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.

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.

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)

Initial recognition and measurement (continued)
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 trade 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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Impairment of non-financial assets (continued)

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations
The Group applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are 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 recognise most leases on the statement of financial position.

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 recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

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

	AED'000
Assets	
Right-of-use assets	**38,463**
Liabilities	
Lease liabilities	**36,343**
Total adjustment on equity	
Retained earnings	**2,120**

The Group has lease contracts for various properties. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as operating leases. Refer to Note 2.3 (j) Leases for the accounting policy prior to 1 January 2019.

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. Refer to Note 2.3 (j) Leases for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have 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. The right-of-use assets for some leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In other 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New and amended standards and interpretations (continued)

IFRS 16 Leases (continued)
The Group also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

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

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

Other amendments and interpretations
Although the below amendments and interpretations applied for the first time in 2019, they did not have a material impact on the annual consolidated financial statements of the Group.

- 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
- Amendments to IFRS 3: Business Combinations
- Amendments to IFRS 11: Joint Arrangements
- Amendments to IAS 12: Income Taxes
- Amendments to IAS 23: Borrowing Costs

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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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:

Property lease classification – Group as lessor
The Group has entered into 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
The Group concluded that it has significant influence over International Medical Center ("IMC"), an associate, even though it holds less than 20 per cent of the voting rights of the entity. The Group holds 13.13% (2018: 15.47%) 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 concluded that it exercises significant influence over the investee.

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.

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).

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue and cost information

	For the year ended 31 December 2019		
Segments	***Education AED'000***	***Healthcare AED'000***	***Total AED'000***
Type of goods or service			
Tuition fees, net of scholarship awarded	125,381	-	125,381
Accommodation fee	8,908	-	8,908
Administrative and other service fees from students	3,780	-	3,780
Healthcare and medical services	-	4,034	4,034
Total revenue from contracts with customers	**138,069**	**4,034**	**142,103**
Timing of revenue recognition			
Services transferred over time	135,856	-	135,856
Services transferred at a point in time	2,213	4,034	6,247
Total revenue from contracts with customers	**138,069**	**4,034**	**142,103**
Direct costs	**(58,324)**	**(1,749)**	**(60,073)**

	For the year ended 31 December 2018		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Type of goods or service			
Tuition fees, net of scholarship awarded	38,963	-	38,963
Accommodation fee	5,201	-	5,201
Administrative and other service fees from students	2,110	-	2,110
Total revenue from contracts with customers	46,274	-	46,274
Timing of revenue recognition			
Services transferred over time	45,767	-	45,767
Services transferred at a point in time	507	-	507
Total revenue from contracts with customers	46,274	-	46,274
Direct costs	(24,037)	-	(24,037)

4.2 Contract balances

	2019 AED'000	*2018 AED'000*
Trade receivables, net (Note 13)	**10,594**	12,128
Contract liabilities (see below)	**31,310**	31,219

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

4.2 Contract balances (continued)

Trade receivables
Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days from the date of service. In 2019, AED 3,221 thousand was recognised as allowance for expected credit losses on trade receivables (2018: AED 1,764 thousand).

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

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 upon receipt of the invoice or based on an agreed payment plan.

Healthcare services
The performance obligation is satisfied at a point in time when the service is rendered and payment is generally due between 0 and 30 days from invoice date for ins.

4.4 Direct costs

	2019 *AED'000*	*2018* *AED'000*
Salaries and employee related costs	**29,486**	11,634
Royalty and profit-sharing arrangements for academic services	**16,098**	3,223
Leases (Note 9)	**8,734**	8,091
Student related expenses	**4,030**	1,089
Depreciation of property and equipment (Note 8)	**424**	-
Other direct costs	**1,301**	-
	60,073	24,037

5 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses mainly include the following:

	2019 *AED'000*	*2018* *AED'000*
Salaries and employee related expenses	**57,131**	36,757
Depreciation of right-of-use assets (Note 9)	**10,488**	-
Depreciation of property and equipment (Note 8)	**8,883**	2,000
Management fees	**4,151**	-
Marketing and business promotion	**6,387**	-
Amortization of intangible asset (Note 10)	**6,233**	-
Leases (Note 9)	**5,540**	5,731
Legal and professional fees	**5,042**	5,448
Credit losses expense (Note 13)	**3,221**	1,764
Investment related expenses	**5,862**	10,645
Board remuneration	**2,100**	5,626

6 OTHER OPERATING INCOME

	2019 **AED'000**	2018 AED'000
Remeasurement gain on financial liability at FVTPL (Note 10)	**20,150**	-
Dividend income from financial asset at FVOCI	**342**	2,535
Other income	**2,112**	1,146
	22,604	3,681

7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	2019 **AED'000**	2018 AED'000
Finance lease income (Note 9)	**26,692**	13,407
Income on term deposits	**15,406**	30,079
	42,098	43,486

7.2 Finance costs

	2019 **AED'000**	2018 AED'000
Finance costs on bank financing	**2,601**	-
Finance costs on lease liabilities (Note 9)	**2,031**	417
	4,632	417

8 PROPERTY AND EQUIPMENT

	Building AED'000	*Medical equipment AED'000*	*Academic equipment AED'000*	*Furniture & fixtures AED'000*	*Other assets AED'000*	*Capital work in progress (1) AED'000*	*Total AED'000*
Cost:							
At 1 January 2018	-	-	-	705	2,857	-	3,562
Acquisition of subsidiaries (Note 10)	5,924	-	4,046	1,172	1,968	122,323	135,433
Additions	477	-	1,424	440	416	-	2,757
At 31 December 2018	6,401	-	5,470	2,317	5,241	122,323	141,752
Additions	2,914	2,512	1,363	759	3,485	-	11,033
Transfers	119,247	2,629	-	-	447	(122,323)	-
At 31 December 2019	**128,562**	**5,141**	**6,833**	**3,076**	**9,173**	-	**152,785**
Accumulated depreciation:							
At 1 January 2018	-	-	-	201	905	-	1,106
Acquisition of subsidiaries (Note 10)	2,571	-	1,814	391	663	-	5,439
Charge for the year (2)	30	-	763	238	969	-	2,000
At 31 December 2018	2,601	-	2,577	830	2,537	-	8,545
Charge for the year (2)	5,675	424	1,694	430	1,084	-	9,307
At 31 December 2019	**8,276**	**424**	**4,271**	**1,260**	**3,621**	-	**17,852**
Net carrying amounts:							
At 31 December 2019	**120,286**	**4,717**	**2,562**	**1,816**	**5,552**	-	**134,933**
At 31 December 2018	3,800	-	2,893	1,487	2,704	122,323	133,207

8 PROPERTY AND EQUIPMENT (continued)

(1) Capital work-in-progress at 31 December 2018 represents building and other assets related to the construction of a medical center in Bahrain, which was transferred to the respective categories of assets in 2019 upon completion of the construction and availability of the assets for use.

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

	2019 AED'000	*2018 AED'000*
Direct costs (Note 4.4)	**424**	-
General and administrative expenses (Note 5)	**8,883**	2,000
	9,307	2,000

9 LEASES

9.1 Group as lessee

The Group has lease contracts for land, buildings and infrastructures used in its operations. 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 buildings, 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:

	Properties AED'000
As at 1 January 2019	-
Upon adoption of IFRS 16 (Note 2.4)	**38,463**
Depreciation (Note 5)	**(10,488)**
Remeasurement	**(2,824)**
As at 31 December 2019	**25,151**

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

	2019 AED
As at 1 January	-
Upon adoption of IFRS 16 (Note 2.4)	**36,343**
Accretion of interest (Note 7)	**2,031**
Remeasurement	**(2,824)**
Payments	**(13,823)**
As at 31 December 2019	**21,727**
Current	**3,500**
Non-current	**18,227**

The maturity analysis of lease liabilities are disclosed in Note 25.

9 LEASES (continued)

9.1 Group as lessee (continued)

The following are the amounts recognised in profit or loss:

	2019 *AED'000*
Depreciation expense of right-of-use assets (Note 5)	**10,488**
Interest expense on lease liabilities (Note 7.2)	**2,031**
Expense relating to short-term leases – direct costs (Note 4.4)	**8,734**
Expense relating to short-term leases – general and administrative expenses (Note 5)	**5,540**
Total amount recognised in profit or loss	**26,793**

The Group had total cash outflows for leases of AED 13,823 thousand in 2019, non-cash additions to right-of-use assets and lease liabilities of AED 38,463 thousand and AED 36,343 thousand, respectively, in 2019 upon adoption of IFRS 16 and non-cash reduction of AED 2,824 thousand to right-of-use assets and lease liabilities due to remeasurement during the year. There are no future cash outflows relating to leases that have not yet commenced at the reporting date.

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

The lease contracts the Group has entered into do not include termination options. The extension options in those leases will require re-negotiations and the mutual consent of the lessee and lessor. Accordingly, there are no exercisable termination or extension options that the Group has accounted for in its lease liabilities.

9.2 Group as lessor

During the year 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. In 2018, 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.

Transaction costs amounting to AED 15 million are capitalized 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 installments 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.

During 2019, the Group extended AED 10 million to the lessee as part of an AED 32.5 million financing agreed to be extended by the Group towards the expansion of the leased asset. The remaining balance of AED 22.5 million of the financing is expected to be settled in 2020. The repayment of the AED 32.5 million by the lessee will commence from the date of the completion of the expansion works, expected in 2020, over the remaining term of the lease contract.

9 LEASES (continued)

9.2 Group as lessor (continued)

The following table provides the movement in finance lease receivables:

	2019 AED'000	2018 AED'000
At 1 January	**328,531**	-
Purchase cost	-	360,000
Cost of acquisition	-	14,969
Additional financing towards the expansion of the leased asset	**10,000**	-
Advance lease installments	-	(59,845)
Finance lease income (Note 7)	**26,692**	13,407
	365,223	328,531

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

Gross investment in finance lease receivable

	2019 AED'000	2018 AED'000
Less than one year	**30,580**	-
Between one and five years	**130,942**	125,172
More than five years	**696,070**	707,855
	857,592	833,027
Unearned finance income	**(492,369)**	(504,496)
Net investment in finance lease receivable	**365,223**	328,531

Net investment in finance lease receivable

	2019 AED'000	2018 AED'000
Less than one year	**28,806**	-
Between one and five years	**101,266**	96,112
More than five years	**235,151**	232,419
	365,223	328,531
Current	**28,806**	-
Non-current	**336,417**	328,531

10 BUSINESS COMBINATIONS

Intangible assets acquired through business combinations are as follows:

	Goodwill AED'000	*Agreement AED'000*	*Total AED'000*
Cost:			
At 1 January 2018	-	-	-
Goodwill recognized on acquisition of subsidiaries	492,082	-	492,082
At 31 December 2018 – as previously reported	492,082	-	492,082
Purchase price allocation adjustment (see below)	(133,300)	133,300	-
At 1 January 2019 – adjusted	358,782	133,300	492,082
At 31 December 2019	**358,782**	**133,300**	**492,082**
Amortization:			
At 1 January 2018	-	-	-
At 31 December 2018	-	-	-
Charge for the year (Note 5)	-	6,233	6,233
At 31 December 2019	-	**6,233**	**6,233**
Carrying amounts			
At 31 December 2019	**358,782**	**127,067**	**485,849**
At 31 December 2018 – adjusted	358,782	133,300	492,082

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

	2019 AED'000	*2018 AED'000 Restated*
Middlesex University (1)	**276,770**	276,770
Royal Maternity Hospital (2)	**82,012**	82,012
	358,782	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.

For the five-month period ended 31 December 2018, Middlesex University contributed total income of AED 49.377 million and net operating profit of AED 6.785 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimated that, for the year 2018, consolidated operating income would have been AED 226 million and consolidated profit would have been AED 74 million. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same had the acquisition occurred on 1 January 2018.

10 BUSINESS COMBINATIONS (continued)

(1) Middlesex Associates FZ-LLC (continued)

Consideration transferred

Included in the cost of acquisition of Middlesex Associates FZ-LLC is a contingent consideration with an overall estimated fair value of AED 48,000 thousand recognised at the acquisition date on provisional basis, which has been classified as financial liability at fair value through profit or loss. As per the contractual agreement with the previous selling shareholders, the Company is required to pay a fixed consideration for each additional student that enrolls with Middlesex University during the period from the acquisition date to 30 September 2019, capped at AED 73 million.

The Group has initially 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 31 December 2019, the fair value of the contingent liability was reassessed based on the actual number of additional students that enrolled with Middlesex University during the period from the acquisition date to 30 September 2019, and accordingly, an amount of AED 20,150 thousand was recognized as gain in profit or loss recorded under other operating income (Note 6). The reported fair value of the liability at AED 27,850 thousand represents the settlement amount agreed with the previous selling shareholders, which was settled subsequent to the year-end.

Acquisition related costs

The Group incurred acquisition related costs of AED 1.1 million related to legal fees and due diligence costs. These costs have been included under general and administrative expenses in 2018.

Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

	2018 *AED'000* *Restated*
Intangible asset (see below)	133,300
Property and equipment	6,160
Trade and other receivables, net	6,867
Deposits and prepayments	3,247
Cash and bank balances	25,270
Other current assets	4,257
Trade and other payables	(31,485)
End of service benefits	(5,484)
Total identifiable net assets acquired	142,132

Fair value measurement

The fair value of the assets and liabilities of Middlesex University had been measured on a provisional basis at 31 December 2018. During 2019, 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 a separately identifiable intangible asset has been identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to be having 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 recognized amount of goodwill resulting in an adjusted goodwill of AED 276,770 thousand at acquisition comprising the value of expected synergies arising from the acquisition.

As required by IFRS 3, adjustments to provisional amounts that are made during the measurement period are recognised as if the accounting for the business combination had been completed at the acquisition date. Accordingly, the Group restated the comparative information and reclassified an amount of AED 133,300 thousand from goodwill to agreement. However, the effect of the amortization of the identified intangible asset on the prior period was not considered to be significant, hence has been adjusted in the current period.

10 BUSINESS COMBINATIONS (continued)

(2) Royal Maternity Hospital Holding W.L.L

On 16 August 2018, the Group acquired 69.36% of the shares and voting interests in Royal Maternity Hospital Holding W.L.L ("RMH") for a total cash consideration of AED 142,107 thousand.

For the four-month period ended 31 December 2018, RMH contributed nil revenue and net operating losses of AED 2.136 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimated that, for the year 2018, consolidated operating income would have been AED 112 million and consolidated profit would have been AED 41 million. In determining these amounts, management had assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

Acquisition related costs

The Group incurred acquisition related costs of AED 5.3 million on legal fees and due diligence costs. These costs have been included under general and administrative expenses in 2018.

Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

	2018 *AED'000*
Property and equipment	123,834
Deposits and prepayments	198
Cash and bank balances	3,346
Other assets	5,594
Trade and other payables	(12,086)
Other payables	(9,571)
End of service benefits	(323)
Borrowings	(24,350)
Total identifiable net assets acquired	86,642

Fair value measurement

The fair value of the assets and liabilities of Royal Hospital have been measured on a provisional basis at 31 December 2018. During 2019, 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 no separately identifiable assets have been identified and the entire difference between the total consideration and identified net assets at the date of acquisition of AED 82,012 thousand has been accounted for as goodwill comprising the value of expected synergies arising from the acquisition.

Goodwill arising from the acquisition has been recognized as follows:

	2018 *AED'000*
Consideration transferred	142,107
Add: NCI based on their proportionate interest in the recognized net assets at acquisition (30.64%)	26,547
Less: Fair value of identifiable net assets	(86,642)
Goodwill	82,012

10 BUSINESS COMBINATIONS (continued)

(3) Goodwill impairment assessment

Middlesex Associates FZ-LLC

Management has performed an impairment test on goodwill as at 31 December 2019. The recoverable amount of the CGU has been determined at 31 December 2019 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 12.5%. 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.

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

Revenue

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.

Discount rate

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 in the discount rate is not expected to result in any impairment to goodwill.

Royal Maternity Hospital Holding W.L.L

Management has performed an impairment assessment on goodwill as at 31 December 2019. Given that the subsidiary started operations in 2019, management was not able to project future cash flows that are accurate enough to be used for value in use calculation. Instead, management performed an assessment by comparing actuals versus projections as per the feasibility study, including progress of the project, capital expenditure, the target date for the start of operations, and EBIDTA for the first period of operations. As a result of the analysis, management did not identify any impairment to goodwill.

(4) Disposal of a subsidiary

During the year, the Group disposed of its 85.20% shareholding in Loai Reda & Hakeem Company for Trading Ltd, through which the Group owned 15.47% of IMC, an associate of the Group, while retaining the Group's 13.18% effective shareholding in the associate. The transaction resulted in disposal of asset, liability and equity instrument, without any gain, loss or cash flows arising from the disposal. The asset, liability and equity instrument eliminated upon disposal of the subsidiary are as follows:

	2019 *AED'000*
Investment in an associate – IMC (Note 11)	**65,638**
Due to NCI Shareholders of LT (Note 19)	**(61,944)**
Non-controlling interests (Note 28)	**(3,694)**
Net assets disposed of	-

11 INVESTMENTS IN ASSOCIATES

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

	2019 AED'000	2018 AED'000
Sukoon International Holding Company (1)	**182,347**	192,111
Taaleem Holdings PrJSC (2)	**186,734**	188,479
International Medical Center (3)	**383,286**	443,429
Abu Dhabi University Holdings LLC (4)	**355,407**	347,010
	1,107,774	1,171,029

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

	Year ended 31 December 2019				
	Sukoon AED'000	**Taaleem** AED'000	**IMC** AED'000	**ADU** AED'000	**Total** AED'000
At 1 January 2019	**192,111**	**188,479**	**443,429**	**347,010**	**1,171,029**
Share of results	**(7,320)**	**16,006**	**17,202**	**23,920**	**49,808**
Amortization of PPA assets	**-**	**(1,500)**	**(1,798)**	**(3,000)**	**(6,298)**
Share of results in profit or loss	**(7,320)**	**14,506**	**15,404**	**20,920**	**43,510**
Share of other comprehensive income	**408**	**-**	**958**	**-**	**1366**
Dividends	**-**	**(16,251)**	**(10,867)**	**(12,523)**	**(39,641)**
Other equity adjustments	**(2,852)**	**-**	**-**	**-**	**(2,852)**
Disposals (Note 10)	**-**	**-**	**(65,638)**	**-**	**(65,638)**
At 31 December 2019	**182,347**	**186,734**	**383,286**	**355,407**	**1,107,774**

	Year ended 31 December 2018				
	Sukoon AED'000	Taaleem AED'000	IMC AED'000	ADU AED'000	Total AED'000
At 1 January 2018	199,900	188,391	432,996	-	821,287
Share of results	1,578	19,464	22,613	19,272	62,927
Amortization of PPA assets	(375)	(1,500)	(1,784)	(2,032)	(5,691)
Share of results in profit or loss	1,203	17,964	20,826	17,240	57,236
Dividends	(8,992)	(17,876)	(10,396)	-	(37,264)
Consideration paid	-	-	-	320,390	320,390
Additional costs of acquisition	-	-	-	9,380	9,380
At 31 December 2018	192,111	188,479	443,429	347,010	1,171,029

11 INVESTMENTS IN ASSOCIATES (continued)

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

The Group has a 33.25% interest in Sukoon International Holding Company, which is involved in providing 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:

	2019 ***AED'000***	*2018* *AED'000*
Current assets	**313,362**	329,040
Non-current assets	**132,966**	148,449
Current liabilities	**(33,324)**	(34,203)
Non-current liabilities	**(13,845)**	(14,762)
Equity	**399,159**	428,524
Group's share in net assets at 33.25% (2018: 33.25%)	**132,722**	142,486
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 capitalized	**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	**182,347**	192,111

	2019 ***AED'000***	*2018* *AED'000*
Revenue	**110,330**	135,266
Profit and other comprehensive income for the year	**(20,788)**	4,747
Group's share of total comprehensive income at 33.25% (2018: 33.25%)	**(7,320)**	1,578

(2) Taaleem Holdings PrJSC ("Taaleem")

The Group has a 21.67% interest 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. The following table illustrates the summarised financial information of the Group's investment in Taaleem:

	2019 ***AED'000***	*2018* *AED'000*
Current assets	**184,413**	228,586
Non-current assets, net of goodwill	**1,067,059**	900,775
Current liabilities	**(321,304)**	(322,243)
Non-current liabilities	**(273,041)**	(148,862)
Equity	**657,127**	658,256

11 INVESTMENTS IN ASSOCIATES (continued)

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

	2019 ***AED'000***	*2018* *AED'000*
Group's share in net assets at 21.67% (2018: 21.67%)	**142,400**	142,642
Goodwill and intangibles at acquisition	**45,071**	45,071
Cost of acquisition capitalized	**4,670**	4,670
Amortisation of PPA assets	**(5,407)**	(3,904)
Group's carrying amount of the investment	**186,734**	188,479
Revenue	**509,849**	482,931
Profit	**73,869**	89,829
Group's share of profit at 21.67% (2018: 21.67%)	**16,006**	19,464

(3) International Medical Center ("IMC")

The Group has a 13.13% direct interest (2018: 15.47% interest through LT and 13.18% effective interest) 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.

Based on this shareholding, along with the Group's representation on both the Board of Directors and Executive Committee of IMC, the Group believes it exercises significant influence over the operating and financial policies of IMC, and accordingly, has classified IMC as an associated undertaking.

During 2019, the Group disposed of its subsidiary Loai Reda & Hakeem Company for Trading Ltd. while retaining 13.18% direct interest in IMC (Note 10). Further, the Group's shareholding was diluted to 13.13% as the Group did not subscribe to the additional shares issued by IMC in 2019.

The Group's interest in IMC 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 IMC:

	2019 ***AED'000***	*2018* *AED'000*
Current assets	**530,700**	576,618
Non-current assets	**862,539**	640,915
Current liabilities	**(281,887)**	(196,236)
Non-current liabilities	**(174,947)**	(146,985)
Equity	**936,405**	874,312
Group's share in net assets at 13.13% (2018: 15.47%)	**122,950**	135,256
Goodwill, intangible and other fair value adjustments	**262,425**	308,464
Costs of acquisition capitalized	**3,283**	3,283
Amortisation of PPA assets	**(5,372)**	(3,574)
Group's carrying amount of the investment	**383,286**	443,429
Revenue	**1,021,061**	1,165,716
Profit and other comprehensive income	**124,970**	146,173
Group's share of total comprehensive income at 13.13% (2018: 15.47%)	**17,202**	22,613

11 INVESTMENTS IN ASSOCIATES (continued)

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

The Group has a 35% interest in Abu Dhabi University Holding LLC, acquired on 6 March 2018. ADU is involved in providing university educational services in Abu Dhabi, United Arab Emirates. ADU is a private entity that is not listed on any public exchange. The Group's interest in ADU 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 ADU:

	2019 *AED'000*	*2018* *AED'000*
Current assets	**260,275**	230,653
Non-current assets	**870,312**	816,089
Current liabilities	**(236,009)**	(203,290)
Non-current liabilities	**(277,600)**	(253,305)
Non-controlling interests	**11,210**	5,477
Equity attributable to the owners of ADU	**628,188**	595,624
Group's share in net assets at 35% (2018: 35%)	**219,865**	208,468
Goodwill and intangibles at acquisition	**131,194**	131,194
Costs of acquisition capitalized	**9,380**	9,380
Amortization of PPA assets	**(5,032)**	(2,032)
Group's carrying amount of the investment	**355,407**	347,010

	2019 *AED'000*	*2018* *AED'000*
Revenue	**406,618**	502,350
Profit	**68,341**	55,064
Group's share of profit at 35% (2018: 35%)	**23,920**	19,272

12 FINANCIAL ASSET AT FAIR VALUE THROUGH OCI

The FVOCI 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. The movement in the investment during the year was as follows:

	2019 *AED'000*	*2018* *AED'000*
At 1 January	**21,274**	-
Transferred from AFS investment on adoption of IFRS 9	-	32,755
Net change in fair value	**(5,558)**	(11,481)
At 31 December	**15,716**	21,274

13 TRADE AND OTHER RECEIVABLES

	2019 AED'000	2018 AED'000
Trade receivables	**15,298**	16,200
Less: allowance for expected credit losses	**(4,704)**	(4,072)
	10,594	12,128
Prepayments	**8,611**	9,553
Accrued profit/interest on term deposits	**3,872**	12,403
Advances to suppliers	**2,367**	1,625
Refundable deposits	**1,826**	1,814
Dividends receivable	**325**	2,235
Other receivables	**3,956**	3,876
	31,551	43,634

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

	2019 AED'000	2018 AED'000
At 1 January	**4,072**	-
Acquired through business combination	-	2,308
Charge for the year (Note 5)	**3,221**	1,764
Write-offs	**(2,589)**	-
	4,704	4,072

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

	2019 AED'000	2018 AED'000
Due from related parties		
Associates		
Sukoon	**798**	798
Taaleem	**16,468**	18,094
IMC	**4,835**	1,353
ADU	**4,339**	-
Key managerial personnel	-	455
Other related parties	**118**	-
	26,558	20,700

14 RELATED PARTY TRANSACTIONS (continued)

Balances with related parties (continued)

	2019	*2018*
	AED'000	*AED'000*
Due to related parties		
Other long-term payables		
Due to NCI Shareholders of LT *	-	61,944
Payables to other related parties	**3,247**	-

* 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. During 2019, the amount has been settled upon disposal of the subsidiary.

Transactions with related parties
There were not material transactions with related during the years ended 31 December 2019 and 2018. Dividend received from associates is disclosed in Note 11.

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

	2019	*2018*
	AED'000	*AED'000*
Short–term benefits	**12,890**	10,369
Post–employment benefits	**700**	639

15 CASH AND BANK BALANCES

	2019	*2018*
	AED'000	*AED'000*
Current accounts with banks	**127,313**	66,396
Call deposits with banks	**3**	3
Cash on hand	**122**	69
Cash and cash equivalents	**127,438**	66,468
Shariah compliant term deposits	**382,369**	493,733
Term deposits with conventional banks	**61,895**	35,936
Cash and bank balances	**571,702**	596,137

During the year ended 31 December 2019, the Company earned an aggregate profit/interest of AED 15,406 thousand on its deposits (2018: AED 30,079 thousand).

16 SHARE CAPITAL

Authorised share capital
As at 31 December 2019 and 2018, the authorised share capital of the Company was AED 5 billion.

Issued share capital
As at 31 December 2019 and 2018 the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each. 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.

17 RESERVES

17.1 Share issuance reserve

Share issuance reserve of AED 5,718 thousand at 1 January 2018 represents amounts raised in initial public offering for related costs at AED 0.02 per share totaling AED 50,000 thousand offset by share issuance and IPO expenses incurred of AED 44,282 thousand.

During 2018, the Securities and Commodities Authority ("SCA") has instructed the Group to transfer the balance of the share issuance reserve to statutory reserve.

17.2 Statutory reserve

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 2019, an amount of AED 6,002 thousand (2018: AED 4,293 thousand) has been transferred to statutory reserve. The statutory reserve is not available for distribution. During 2018, the Securities and Commodity Authority ("SCA") has instructed the Group to transfer the balance in the share issuance reserve to statutory reserve.

18 BANK FINANCING

	2019 ***AED'000***	*2018* *AED'000*
Non-revolving Ijarah term facility (1)	-	24,350
Non-revolving Ijarah working capital facility (2)	-	12,662
Bank term loan (3)	**57,152**	-
	57,152	37,012

(1) In 2017, the Group's subsidiary in Bahrain availed a BHD 2.5 million (equivalent to AED 24,350 thousand) Ijarah term facility from an Islamic Bank to finance construction of a medical center in the Kingdom of Bahrain. The facility is repayable in quarterly instalments of profit and principal, whereby the repayment of the principal will commence after a grace period of a maximum of 24 months. The facility bears a profit rate of 2.4% per annum on a reducing balance basis. During 2019, the subsidiary obtained a loan from another bank and fully settled this facility (see 3 below).

(2) During 2018, the Group's subsidiary in Bahrain availed an additional financing Ijarah facility of BHD 1.3 million (equivalent to AED 12,662 thousand) to finance the working capital requirements during the construction period of the medical center. The facility is repayable in quarterly instalments of profit and principal, whereby the repayment of the principal will commence after a grace period of a maximum of 24 months. The facility bears a profit rate of BHIBOR plus 2.725%. During 2019, the subsidiary obtained a loan from another bank and fully settled this facility (see 3 below).

(3) During 2019, the Group's subsidiary in Bahrain obtained a term loan from a local bank of BHD 5.9 million (equivalent to AED 57,152 thousand) to partially settle the Ijarah facilities availed in previous years and to utilize the additional financing for capital expenditure and working capital requirements. The loan carries interest at 5% per annum. The loan is repayable in quarterly instalments of interest and principal, whereby the repayment of the principal will commence after a grace period of 24 months. The term loan is secured against the corporate guarantee of the Company. Subsequent to the year-end, the subsidiary availed additional financing of BHD 500 thousand (equivalent to AED 4,870 thousand).

19 OTHER LONG-TERM PAYABLES

	2019 AED'000	*2018 AED'000*
Unamortised rent incentive – non-current portion	**3,916**	3,916
Due to NCI Shareholders of LT* (Note 10)	-	61,944
	3,916	65,860

*This balance represents the amount payable by the Group to the NCI shareholders of LT in relation to their ownership of IMC shares. The amount payable does not bear any interest and does not have any specified maturity, which was settled in 2019 upon disposal of the investment in LT.

20 PROVISION FOR EMPLOYEES' END OF SERVICE BENIFITS

	2019 AED'000	*2018 AED'000*
Balance as at 1 January	**7,685**	1,396
Acquired through business combination	-	5,808
Charge for the year	**2,134**	1,249
Payments made during the year	**(1,860)**	(768)
Balance as at 31 December	**7,959**	7,685

21 ACCOUNTS AND OTHER PAYABLES

	2019 AED'000	*2018 AED'000*
Accounts payable	**7,921**	8,525
Staff related provisions	**7,003**	6,598
Other accruals and payables	**11,356**	18,274
Directors' remuneration payable	**2,100**	4,200
Customer deposits	**2,151**	2,675
	30,531	40,272

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.

	2019	*2018*
Profit for the year attributable to equity holders of the Company (AED'000)	**60,023**	42,928
Number of ordinary shares ('000)	**2,500,000**	2,500,000
Basic and diluted earnings per share (AED)	**0.0240**	0.0171

23 DIVIDENDS

A cash dividend of AED 0.015 per ordinary share was approved by the shareholders at the AGM on 24 March 2019 as proposed by Board of Directors in respect of 2018 (2018: AED 0.017 per share), which was settled on 26 March 2019.

The Board of Directors has proposed a cash dividend of AED 0.022 per share for the financial year ended 31 December 2019.

24 COMMITMENTS AND CONTINGENCIES

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

	2018 *AED'000*
Due in less than one year	17,080
Due between one and five years	16,122
Total minimum lease payments	33,202

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

Other commitments and contingencies
The Group has no other contingencies and commitments as at 31 December 2019 (2018: nil contingencies and commitments).

25 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise borrowings, financial liability at FVTPL, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, finance lease receivables, due from related parties and bank balances that derive directly from its operations. The Group also holds an investment in a financial asset.

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 RISK MANAGEMENT (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 2019 and 2018 is the carrying amounts of the financial assets as follows:

	2019	*2018*
	AED'000	*AED'000*
Trade and other receivables	**17,249**	29,290
Finance lease receivable	**365,223**	328,531
Due from related parties	**26,558**	20,700
Investment in a financial asset	**15,716**	21,274
Cash at banks	**571,580**	596,068
	996,326	995,863

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 an investment in a quoted equity with low credit risk.

Trade receivables

Trade receivables mainly relate to amounts receivable by Middlesex University from students for providing academic services. Middlesex does not extend a credit period to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored.

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.

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 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 receivable from associates, which are settled on timely basis, and accordingly, the Group considers these balances to be fully recoverable.

25 FINANCIAL RISK MANAGEMENT (continued)

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 2019

	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*
Trade and other payables	-	**21,377**	**7,003**	-	-	**28,380**
Lease liabilities	-	**3,889**	**1,023**	**5,454**	**50,112**	**60,478**
Bank financing	-	**714**	**2,142**	**46,892**	**19,484**	**69,232**
Financial liability at FVTPL	-	**27,850**	-	-	-	**27,850**
	-	**53,830**	**10,168**	**52,346**	**69,596**	**185,940**

31 December 2018

	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*
Trade and other payables	-	30,999	6,598	-	-	37,597
Other long-term payables	61,944	-	-	-	-	61,944
Bank financing	-	1,417	3,128	18,180	25,895	48,620
Financial liability at FVTPL	-	-	48,000	-	-	48,000
	61,944	32,416	57,726	18,180	25,895	196,161

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 interest rate risk arises principally from its deposits held with banks and borrowings. Since the Group's deposits earn interest/profit at fixed rates, any changes in interest/profit rate will not have an impact on the consolidated profit or loss of the Group.

25 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Interest rate risk (continued)
The interest rate profile of the Group's financial assets and liabilities are shown in the table below:

	2019 *AED'000*	*2018* *AED'000*
Fixed rate instruments		
Wakala and term deposits with banks	**444,264**	529,669
Bank financing	**(57,152)**	(24,350)
	387,112	505,319
Variable rate instruments		
Borrowings – non revolving Ijarah working capital facility	-	12,662

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 786 thousand (2018: AED 1.06 million) and an equal change in the opposite direction would have decreased other comprehensive income and equity by the same amount.

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. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018.

26 FAIR VALUE MEASUREMENT

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 2019 and 2018 based on management's assessment and as follows:

- Management assessed that the fair values of cash and bank balances, trade and other receivables, trade and other payables, due from and to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The financial asset at FVTOCI is carried at fair value using quoted price.
- Management assessed that the book value of long-term borrowings as at 31 December 2019 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 and financial liability at FVTPL approximate their respective fair values as these balances have been discounted using appropriate discount factors.

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

27 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 2019						
Revenue	-	138,069	4,034	142,103	-	142,103
Direct costs	-	(58,324)	(1,749)	(60,073)	-	(60,073)
General and administrative expenses	(57,915)	(51,640)	(27,208)	(136,763)	3,333	(133,430)
Other operating income	23,596	2,232	109	25,937	(3,333)	22,604
Share of results of associates	43,510	-	-	43,510	-	43,510
Share of results of subsidiaries	9,383	-	-	9,383	(9,383)	-
Finance income	42,640	212	-	42,852	(754)	42,098
Finance costs	-	(735)	(4,651)	(5,386)	754	(4,632)
Segment results	61,214	29,814	(29,465)	61,563	(9,383)	52,180
Total assets	2,602,850	69,142	164,782	2,836,774	(72,317)	2,764,457
Total liabilities	(40,014)	(53,061)	(109,743)	(202,818)	19,126	(183,692)
Capital expenditure	(366)	(3,449)	(7,218)	(11,033)	-	(11,033)

27 SEGMENT INFORMATION (continued)

	Investments AED'000	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*	*Eliminations AED'000*	*Consolidated AED'000*
31 December 2018						
Revenue	-	46,274	-	46,274	-	46,274
Direct costs	-	(24,037)	-	(24,037)	-	(24,037)
General and administrative expenses	(61,764)	(16,370)	(1,719)	(79,835)	-	(79,835)
Other operating income	2,763	918	-	3,681	-	3,681
Share of results of associates	57,236	-	-	57,236	-	57,236
Share of results of subsidiaries	5,303	-	-	5,303	(5,303)	-
Finance income	43,486	-	-	43,486	-	43,486
Finance costs	-	-	(417)	(417)	-	(417)
Segment results	47,042	6,785	(2,136)	51,691	(5,303)	46,388
Total assets	2,675,751	74,883	135,283	2,885,917	(79,323)	2,806,594
Total liabilities	(125,329)	(65,736)	(50,780)	(241,845)	11,797	(230,048)
Capital expenditure	(95)	(2,621)	(41)	(2,757)	-	(2,757)

28 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 interest** *2019*	*2018*
Royal Maternity Hospital Holding W.L.L	**30.64%**	30.64%

Accumulated balances of non-controlling interest:

	2019 AED'000	*2018 AED'000*
Royal Maternity Hospital Holding W.L.L ("RMH")	**16,864**	25,892

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

Summarised consolidated statement of profit or loss for the year ended 31 December 2019

	2019 AED'000	*2018 AED'000*
Revenue from contracts with customers and other income	**4,034**	-
Costs and expenses	**(28,957)**	(1,719)
Other income	**109**	-
Finance costs	**(4,651)**	(417)
Loss for the year	**(29,465)**	(2,136)
Attributable to non-controlling interests	**(9,028)**	(655)

28 MATERIAL PARTLY-OWNED SUBSIDIARY (continued)

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

Summarised consolidated statement of financial position as at 31 December 2019

	2019 *AED'000*	*2018* *AED'000*
Non-current assets	**143,631**	123,793
Current assets	**21,151**	11,490
Non-current liabilities	**(74,470)**	(37,012)
Current liabilities	**(35,273)**	(13,768)
Total equity	**55,039**	84,503
Attributable to non-controlling interests	**16,864**	25,892

Summarised cash flow information for the year ended 31 December 2019:

	2019 *AED'000*	*2018* *AED'000*
Operating	**(16,074)**	(10,637)
Investing	**(7,124)**	(41)
Financing	**30,974**	12,662
Net decrease in cash and cash equivalents	7,776	1,984

(3) Movements in non-controlling interests

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

	Non-controlling interest	
	2019 *AED'000*	*2018* *AED'000*
Balance as at 1 January	**30,244**	1,778
Acquisition of subsidiary		
RMH	-	26,547
Profit/(loss) for the year/period		
RMH	**(9,028)**	(655)
LT	**1,185**	4,115
Dividend paid		
LT	**(1,843)**	(1,541)
Disposal of subsidiary		
LT	**(3,694)**	-
Balance as at 31 December	**16,864**	30,244

29 SUBSEQUENT EVENTS

There were no material events after the reporting date which could require adjustments or disclosures in these consolidated financial statements.

30 COMPARATIVE 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 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 year then ended and are summarized as follows.

Consolidated statement of financial position

	As previously reported AED'000	*Reclassification AED'000*	*As currently reported AED'000*
Accounts and other payables	119,491	(79,219)	40,272
Contract liabilities	-	31,219	31,219
Financial liability at fair value through profit or loss	-	48,000	48,000

In addition to the above, the Group reclassified an amount of AED 133,300 thousand from goodwill to other intangible asset as a result of retrospective adjustment to the identifiable assets acquired through business combination (Note 10). However, such reclassification was within the same category of assets hence did not have any impact on the presentation of the consolidated statement of financial position.

Consolidated statement of profit or loss

	As previously reported AED'000	*Reclassification AED'000*	*As currently reported AED'000*
Revenue from contracts with customers	49,378	(3,104)	46,274
Direct costs	(18,675)	(5,362)	(24,037)
Gross profit	30,703	(8,466)	22,237
Employee related expenses	(36,218)	36,218	-
General and administrative expenses	(49,173)	(30,662)	(79,835)
Impairment loss on trade receivables	(1,764)	1,764	-
Other operating income	15,942	(12,261)	3,681

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