Amanat Holdings PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

Directors' Report

The Board of Directors of Amanat Holdings PJSC (the "Company'') and its subsidiaries (collectively the "Group") are pleased to submit the consolidated financial statements of the Group for the year ended 31 December 2020, which comprise the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated and statement of changes in equity and consolidated statement of cash flows and the related notes.

Principal activities

The principal activities of the Company during the year ended 31 December 2020 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 10.1 million for the financial year 2020 compared with AED 60.0 in FY 2019.

Amanat's total income recorded AED 70.6 million (net of PPA amortization), a 36.8% decline compared to 2019. Amanat's share of profit from associates declined to AED 22.4 million in FY-2020 from AED 43.5 million in 2019 which includes a one-off provision of AED 16.8 million from Sukoon. The provision was following a comprehensive reconciliation of accounts receivables identifying SAR 50.5 million in aged receivables which were provided for during FY-2020 as a part of the new management's turnaround strategy. Additionally, Sukoon is undergoing a facility refurbishment to improve patient flow and increase capacity to coincide a long-term cost savings plan which contributed to the rebound evident in Sukoon's Q4-2020 performance.

Abu Dhabi University Holding Company ("ADUHC") positively contributed to Amanat's total income, representing an increase of 75.5% in FY-2020 compared to FY-2019. ADUHC managed to partially offset the decline in income from associates after witnessing an unprecedentedly successful summer intake driven by its internationally competitive programs and prestigious accreditations, which were further bolstered by the newly established College of Health Sciences. Amanat continues working with its partners at ADUHC on developing and implementing revenue growth initiatives, while ensuring an efficient cost base.

Returns from financial instruments recorded AED 11.1 million in FY-2020, a 30.4% decline compared to last year on account of significantly lower interest rates in 2020.

Total expenses recorded in FY-2020 of AED 60.6 million were up by 17.2% compared to AED 51.7 million in FY-2019. The AED 6.0 million decline in staff costs on account of a reduction in headcount and a lower bonus provision helped partially offset the increase in project costs which recorded AED 15.8 million in FY-2020 compared to AED 5.8 million in FY-2019.

Amanat has deployed AED 2.1 billion up to 31 December 2020 on strategic investments in Healthcare and Education across the UAE, the Kingdom of Saudi Arabia and Bahrain, representing 84% of its paid-in capital.

Total equity attributable to the owners of the Company on 31 December 2020 amounted to AED 2,512.

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 1.0 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 25 February 2021 the audited 2020 consolidated financial statements.

Outlook

In 2020 we focused on building stronger foundations operationally at the corporate and portfolio level. While this did result in a series of one-off items as a result of a series of restructuring, we proactively addressed the challenges and remained focused on building value across our portfolio while ensuring our assets continued operating efficiently.

Looking ahead, we have a clear strategic roadmap, and the Board of Directors have identified the key pillars to grow our earnings and drive Amanat to its next phase of growth. These pillars include strategic objectives to improve our portfolios' performance and profitability, optimize our capital structure further and accelerate investments in high-yielding assets. We will focus on investing in businesses with strong earnings potential that are leading the transformation of the healthcare and education sectors.

Directors

HE. Hamad Abdulla Al Shamsi	Chairman
Dr. Shamsheer Vayalil	Vice Chairman and Managing Director
H.E. Hamad Rashed Nehail Al Nuaimi	Board Director
Mrs. Sara Khalil Nooruddin	Board Director
Ms. Elham Al Qasim	Board Director
H.E. Dhafer Al Ahbabi	Board Director
Dr. Ali Saeed Bin Harmal Aldaheri	Board Director

Auditors
Ernst & Young were appointed as external auditors for the Group for the year ended 31 December 2020. The Board of Directors has recommended Ernst & Young as the auditors for 2021 subject to the approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Hamad Al Shamsi
Chairman

Dubai, United Arab Emirates
25 February 2021

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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 2020, 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 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2020. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

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

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
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 1,069,755 thousand at 31 December 2020 and have contributed AED 22,426 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 2020, 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 equity accounted investments, where necessary for the purposes of our Group audit. 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

Key audit matters	How our audit addressed the key audit matters
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

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.

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

iii) The Company has maintained proper books of account;

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

v) The Group's investment in shares and stocks during the year ended 31 December 2020 is disclosed in Note 12;

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

vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2020 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 2020; 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

25 February 2021

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Notes	***2020 AED'000***	*2019 AED'000*
Revenue from contracts with customers	4	**143,565**	142,103
Direct costs	4	**(80,884)**	(69,690)
GROSS PROFIT		**62,681**	72,413
General and administrative expenses	5	**(122,914)**	(123,909)
Other operating income	6	**1,823**	22,700
OPERATING LOSS		**(58,410)**	(28,796)
Share of results of associates	11	**22,426**	43,510
Finance income	7	**40,869**	42,098
Finance costs	7	**(5,322)**	(4,632)
PROFIT FOR THE YEAR		**(437)**	52,180
Attributable to:			
Equity holders of the Company		**10,082**	60,023
Non-controlling interests	29	**(10,519)**	(7,843)
		(437)	52,180
Basic and diluted earnings per share (AED)	22	**0.0040**	0.0240

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	***2020*** ***AED'000***	*2019* *AED'000*
PROFIT FOR THE YEAR		**(437)**	52,180
Other comprehensive loss			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Change in fair value of financial assets at FVOCI	12	**(1,357)**	(5,558)
Share of other comprehensive income of associates	11	**633**	1,366
Total other comprehensive loss		**(724)**	(4,192)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,161)**	47,988
Attributable to:			
Equity holders of the Company		**9,358**	55,831
Non-controlling interests		**(10,519)**	(7,843)
		(1,161)	47,988

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 AED'000	2019 AED'000
ASSETS			
Non-current assets			
Property and equipment	8	**128,302**	134,933
Right-of-use assets	9	**21,706**	25,151
Goodwill and intangible assets	10	**481,349**	485,849
Investments in associates	11	**1,069,755**	1,107,774
Finance lease receivables	9	**384,529**	336,417
Financial assets at fair value through OCI	12	**32,968**	15,716
Total non-current assets		**2,118,609**	2,105,840
Current assets			
Finance lease receivables	9	**20,793**	28,806
Trade and other receivables	13	**31,113**	31,551
Due from related parties	14	**19,653**	26,558
Cash and bank balances	15	**530,555**	571,702
Total current assets		**602,114**	658,617
TOTAL ASSETS		**2,720,723**	2,764,457
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**2,500,000**	2,500,000
Share premium	16	**523**	-
Treasury shares	16	**(6,702)**	-
Statutory reserve	17	**30,152**	29,144
Fair value reserve of financial assets at FVOCI		**(22,390)**	(21,033)
Retained earnings		**10,497**	55,790
Total equity attributable to the owners of the Company		**2,512,080**	2,563,901
Non-controlling interests	29	**6,345**	16,864
Total equity		**2,518,425**	2,580,765
LIABILITIES			
Non-current liabilities			
Bank financing	18	**54,582**	57,152
Other long-term payable	19	**3,821**	3,916
Lease liabilities	9	**22,421**	18,227
Due to a related party	14	**4,013**	-
Provision for employees' end of service benefits	20	**9,609**	7,959
Total non-current liabilities		**94,446**	87,254
Current liabilities			
Bank overdraft	15	**14,105**	-
Bank financing	18	**7,792**	-
Accounts and other payables	21	**57,815**	30,531
Contract liabilities	4	**27,129**	31,310
Due to related parties	14	**801**	3,247
Lease liabilities	9	**210**	3,500
Financial liability at fair value through profit or loss	10	**-**	27,850
Total current liabilities		**107,852**	96,438
Total liabilities		**202,298**	183,692
TOTAL EQUITY AND LIABILITIES		**2,720,723**	2,764,457

These consolidated financial statements were approved by the Board of Directors on 25 February 2021 and signed by:

Hamad Al Shamsi
Chairman

Mohamad Hamade
Chief Executive Officer

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Attributable to the equity holders of the Company								
	Share capital AED'000	***Share Premium AED'000***	***Treasury shares AED'000***	***Statutory reserve AED'000***	***Fair value reserve of financial assets at FVOCI AED'000***	***Retained earnings AED'000***	***Total AED'000***	***Non-controlling interests AED'000***	***Total AED'000***
As at 1 January 2019	2,500,000	-	-	23,142	(15,475)	38,635	2,546,302	30,244	2,576,546
Effect of adoption of IFRS 16	-	-	-	-	-	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/(loss) for the year	-	-	-	-	-	60,023	60,023	(7,843)	52,180
Other comprehensive (loss)/income	-	-	-	-	(5,558)	1,366	(4,192)	-	(4,192)
Total comprehensive (loss)/income	-	-	-	-	(5,558)	61,389	55,831	(7,843)	47,988
Transfer to statutory reserve (Note 17)	-	-	-	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
Profit/(loss) for the year	-	-	-	-	-	10,082	10,082	(10,519)	(437)
Other comprehensive (loss)/income	-	-	-	-	(1,357)	633	(724)		(724)
Total comprehensive (loss)/income	-	-	-	-	(1,357)	10,715	9,358	(10,519)	(1,161)
Treasury shares (Note 16)	-	523	(6,702)	-	-	-	(6,179)	-	(6,179)
Transfer to statutory reserve (Note 17)	-	-	-	1,008	-	(1,008)	-	-	-
Dividends (Note 23)	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
As at 31 December 2020	**2,500,000**	**523**	**(6,702)**	**30,152**	**(22,390)**	**10,497**	**2,512,080**	**6,345**	**2,518,425**

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	**2020** **AED'000**	2019 AED'000
OPERATING ACTIVITIES			
Profit for the year		**(437)**	52,180
Adjustments:			
Share of results of associates	11	**(22,426)**	(43,510)
Dividend income	6	**(993)**	(342)
Depreciation of property and equipment	8	**12,308**	9,307
Depreciation of right-of-use assets	9	**7,806**	10,488
Amortization of intangible asset	10	**4,500**	6,233
Loss on disposal of property and equipment		**614**	-
Allowance for expected credit losses	13	**4,088**	3,221
Remeasurement gain on financial liability at FVTPL	6	**-**	(20,150)
Provision for employees' end of service benefits	20	**2,886**	2,134
Finance income	7	**(40,869)**	(42,098)
Finance costs	7	**5,321**	4,632
		(27,202)	(17,905)
Trade and other receivables		**(3,155)**	(1,579)
Due from related parties		**90**	337
Accounts and other payables and contract liabilities		**23,008**	(9,650)
Due to related parties		**1,567**	3,247
Cash used in operations		**(5,692)**	(25,550)
Employees' end of service benefits paid	20	**(1,236)**	(1,860)
Net cash flows used in operating activities		**(6,928)**	(27,410)
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	**(6,291)**	(11,033)
Investment in finance lease	9	**(22,633)**	(10,000)
Lease payments received	9	**13,905**	-
Changes in Sharia compliant term deposits		**275,779**	111,364
Changes in bank term deposits		**57,999**	(25,959)
Interest received on Sharia compliant term deposits		**7,268**	22,372
Interest received on bank deposits		**1,410**	1,565
Dividend received from associates		**47,943**	33,446
Reduction of capital received from an associate		**19,950**	-
Dividend received from financial asset at FVOCI		**1,318**	2,252
Investment in financial asset at FVOCI		**(18,609)**	-
Settlement of financial liability at FVTPL		**(27,850)**	-
Net cash flows from investing activities		**350,189**	124,007
FINANCING ACTIVITIES			
Dividend paid to equity holders of the Company	23	**(55,000)**	(37,500)
Dividend paid to non-controlling interests	29	**-**	(1,843)
Proceeds from bank financing		**5,222**	57,152
Repayment of bank financing		**-**	(37,012)
Acquisition of treasury shares, net		**(6,179)**	-
Change in other cash balance		**(14,848)**	-
Payment of lease liabilities	9	**(4,791)**	(13,823)
Finance costs paid		**(3,987)**	(2,601)
Net cash flows used in financing activities		**(79,583)**	(35,627)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**263,678**	60,970
Cash and cash equivalents at 1 January		**127,438**	66,468
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**391,116**	127,438

The attached notes 1 to 31 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.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

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

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

Name	**Equity interest**		**Country of incorporation**	**Principal Activities**
	2020	*2019*		
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.

1 CORPORATE INFORMATION (continued)

Name	Equity interest		Country of incorporation	Principal Activities
	2020	*2019*		
AH Alpha Investments (Holdings) 1 Limited	***100%***	*100%*	United Arab Emirates	Investment in education and commercial enterprises, development and management.
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.
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
	2020	*2019*		
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
International Medical Center	***13.13%***	*13.13%*	Kingdom of Saudi Arabia	Hospital and healthcare facilities
Abu Dhabi University Holding LLC	***35%***	*35%*	United Arab Emirates	Leading tertiary education provider

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVOCI and 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.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020. 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 AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

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

h) Cash dividend

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

i) Property and equipment

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Leases

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

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

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

- Buildings and infrastructure 3 to 10 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.

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Leases (continued)

Group as a lessor (continued)

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

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

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

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

i) Financial assets

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

i) Financial assets (continued)

Subsequent measurement

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

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

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

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

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

i) Financial assets (continued)

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

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

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

ii) Financial liabilities

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

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

The Group's financial liabilities include 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

ii) Financial liabilities (continued)

Derecognition

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

iii) Offsetting of financial instruments

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

m) Impairment of non-financial assets

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Cash and term deposits

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

o) Provisions

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

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

p) Employees' end of service benefits

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

q) Intangible assets

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

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

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

The Group's intangible asset is acquired through a business combination and amortized over its useful economic life of 30 years.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New and amended standards and interpretations (continued)

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

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

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

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

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% (2019: 13.13%) shareholding in the associate. Based on this shareholding and the Group's representation on the Board of Directors and Executive Committee of IMC, the Group 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

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

	For the year ended 31 December 2020		
Segments	***Education AED'000***	***Healthcare AED'000***	***Total AED'000***
Type of goods or service			
Tuition fees, net of scholarship awarded	127,833	-	127,833
Accommodation fee	3,081	-	3,081
Administrative and other service fees from students	642	-	642
Healthcare and medical services	-	12,009	12,009
Total revenue from contracts with customers	**131,556**	**12,009**	**143,565**

	For the year ended 31 December 2020		
Segments	***Education AED'000***	***Healthcare AED'000***	***Total AED'000***
Timing of revenue recognition			
Services transferred over time	131,380	-	131,380
Services transferred at a point in time	176	12,009	12,185
Total revenue from contracts with customers	**131,556**	**12,009**	**143,565**
Direct costs	**(59,634)**	**(21,250)**	**(80,884)**

	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)	(11,366)	(69,690)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

4.2 Contract balances

	2020 ***AED'000***	*2019* *AED'000*
Trade receivables, net (Note 13)	**11,991**	10,594
Contract liabilities (see below)	**27,129**	31,310

Trade receivables
Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days from the date of service. In 2020, AED 3,923 thousand was recognised as allowance for expected credit losses on trade receivables (2019: AED 3,221 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.

4.4 Direct costs

	2020 ***AED'000***	*2019* *AED'000*
Salaries and employee related costs	**48,326**	39,103
Royalty and profit-sharing arrangements for academic services	**15,149**	16,098
Leases (Note 9)	**11,210**	8,734
Student related expenses	**2,032**	4,030
Depreciation of property and equipment (Note 8)	**1,077**	424
Other direct costs	**3,090**	1,301
	80,884	69,690

5 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses mainly include the following:

	2020 ***AED'000***	*2019* *AED'000*
Salaries and employee related expenses	**41,764**	47,610
Investment related expenses	**12,050**	5,862
Depreciation of property and equipment (Note 8)	**11,231**	8,883
Depreciation of right-of-use assets (Note 9)	**7,806**	10,488
Marketing and business promotion	**5,447**	6,387
Legal and professional fees	**4,925**	5,042
Amortization of intangible asset (Note 10)	**4,500**	6,233
Leases (Note 9)	**4,361**	5,540
Credit losses expense (Note 13)	**4,088**	3,221
Management fees	**3,376**	4,151
Board remuneration	**2,293**	2,100

6 OTHER OPERATING INCOME

	2020 ***AED'000***	*2019* *AED'000*
Remeasurement gain on financial liability at FVTPL (Note 10)	**-**	20,150
Dividend income from financial asset at FVOCI	**993**	342
Other income	**830**	2,208
	1,823	22,700

7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	2020 ***AED'000***	*2019* *AED'000*
Finance lease income (Note 9)	**31,371**	26,692
Income on term deposits*	**9,498**	15,406
	40,869	42,098

* Includes income on Sharia compliant deposits of AED 6,245 thousand and income on Non-Sharia compliant deposits of AED 3,253 thousand (2019: AED 13,698 thousand and AED 1,708 thousand, respectively).

7.2 Finance costs

	2020 ***AED'000***	*2019* *AED'000*
Finance costs on bank financing	**3,988**	2,601
Finance costs on lease liabilities (Note 9)	**1,334**	2,031
	5,322	4,632

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 2019	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
Additions	382	4,020	904	183	802	-	6,291
Write off	(2,370)	-	-	-	-	-	(2,370)
At 31 December 2020	**126,574**	**9,161**	**7,737**	**3,259**	**9,975**	-	**156,706**
Accumulated depreciation:							
At 1 January 2019	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
Charge for the year (2)	7,144	1,075	918	480	2,691	-	12,308
Write off	(1,756)	-	-	-	-	-	(1,756)
At 31 December 2020	**13,664**	**1,499**	**5,189**	**1,740**	**6,312**	-	**28,404**
Net carrying amounts:							
At 31 December 2020	**112,910**	**7,662**	**2,548**	**1,519**	**3,663**	-	**128,302**
At 31 December 2019	120,286	4,717	2,562	1,816	5,552	-	134,933

8 PROPERTY AND EQUIPMENT (continued)

(1) Capital work-in-progress at 31 December 2019 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 2020 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:

	2020 AED'000	*2019 AED'000*
Direct costs (Note 4.4)	**1,077**	424
General and administrative expenses (Note 5)	**11,231**	8,883
	12,308	9,307

9 LEASES

9.1 Group as lessee

The Group has lease contracts for land, buildings, office 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:

	Land AED'000	***Buildings and offices AED'000***	***Properties Total AED'000***
As at 1 January 2019	-	-	-
Upon adoption of IFRS	18,367	20,096	38,463
Depreciation (Note 5)	(430)	(10,058)	(10,488)
Remeasurement	-	(2,824)	(2,824)
As at 31 December 2019	17,937	7,214	25,151
Addition	-	4,361	4,361
Depreciation	(430)	(7,376)	(7,806)
As at 31 December 2020	**17,507**	**4,199**	**21,706**

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

	2020 AED'000	*2019 AED'000*
As at 1 January	**21,727**	-
Upon adoption of IFRS 16 (Note 2.4)	**-**	36,343
Addition	**4,361**	-
Accretion of interest (Note 7)	**1,334**	2,031
Remeasurement	**-**	(2,824)
Payments	**(4,791)**	(13,823)
As at 31 December	**22,631**	21,727
Current	**210**	3,500
Non-current	**22,421**	18,227

9 LEASES (continued)

9.1 Group as lessee (continued)

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

The following are the amounts recognised in profit or loss:

	2020	*2019*
	AED'000	*AED'000*
Depreciation expense of right-of-use assets (Note 5)	**7,806**	10,488
Interest expense on lease liabilities (Note 7.2)	**1,334**	2,031
Expense relating to short-term leases – direct (Note 4.4)	**11,210**	8,734
Expense relating to short-term leases – indirect (Note 5)	**4,361**	5,540
Total amount recognised in profit or loss	**24,711**	26,793

The Group had total cash outflows for leases of AED 4,791 thousand in 2020 (2019: AED 13,823 thousand). The Company had non-cash additions to right-of-use assets and lease liabilities of AED 4,361 thousand (2019: right-of-use assets of AED 38,463 thousand and lease liabilities of AED 36,343 thousand on adoption of IFRS 16). There are no leases that have not yet commenced at the reporting date.

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

The 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 instalments received by the Group.

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

During the year, the Group extended AED 22.6 million (2019: AED 10 million) additional financing to the lessee towards the expansion of the leased asset, out of a total contractual financing limit of AED 45 million as per the original lease agreement.

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

At 31 December 2020, the Group performed an ECL assessment of its lease receivables and concluded that no allowance for credit losses is required to be recognized (refer Note 25).

9 LEASES (continued)

9.2 Group as lessor (continued)

The following table provides the movement in finance lease receivables:

	2020 *AED'000*	*2019* *AED'000*
At 1 January	**365,223**	328,531
Additional financing towards the expansion of the leased asset	**22,633**	10,000
Lease payments received	**(13,905)**	-
Finance lease income (Note 7)	**31,371**	26,692
	405,322	365,223

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

Gross investment in finance lease receivable

	2020 *AED'000*	*2019* *AED'000*
Less than one year	**22,015**	30,580
Between one and five years	**165,024**	130,942
More than five years	**748,533**	696,070
	935,572	857,592
Unearned finance income	**(530,250)**	(492,369)
Net investment in finance lease receivable	**405,322**	365,223

Net investment in finance lease receivable

	2020 *AED'000*	*2019* *AED'000*
Less than one year	**20,793**	28,806
Between one and five years	**128,647**	101,266
More than five years	**255,882**	235,151
	405,322	365,223
Current	**20,793**	28,806
Non-current	**384,529**	336,417

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 2019	358,782	133,300	492,082
At 31 December 2019	358,782	133,300	492,082
At 31 December 2020	**358,782**	**133,300**	**492,082**
Amortization:			
At 1 January 2019	-	-	-
Charge for the year (Note 5)	-	6,233	6,233
At 31 December 2019	-	6,233	6,233
Charge for the year (Note 5)	-	4,500	4,500
At 31 December 2020	**-**	**10,733**	**10,733**
Carrying amounts			
At 31 December 2020	**358,782**	**122,567**	**481,349**
At 31 December 2019	358,782	127,067	485,849

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

	2020 AED'000	*2019 AED'000*
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.

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.

10 BUSINESS COMBINATIONS (continued)

(1) Middlesex Associates FZ-LLC (continued)

Consideration transferred (continued)

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 at 31 December 2019 represents the settlement amount agreed with the previous selling shareholders, which was settled in the current year.

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 had restated the 2018 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 2018 was not considered to be significant, hence had been adjusted in 2019.

(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.

Fair value measurement

The fair value of the assets and liabilities of Royal Hospital 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 no separately identifiable assets had been identified and the entire difference between the total consideration and identified net assets at the date of acquisition of AED 82,012 thousand was accounted for as goodwill comprising the value of expected synergies arising from the acquisition.

(3) Goodwill impairment assessment

Middlesex Associates FZ-LLC

Management has performed an impairment test on goodwill as at 31 December 2020. The recoverable amount of the CGU of AED 287 million has been determined at 31 December 2020 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 11.0% (2019: 12.5%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2.0% (2019: 2.5%). As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

Royal Maternity Hospital Holding W.L.L

Management has performed an impairment test on goodwill as at 31 December 2020. The recoverable amount of the CGU of AED 95.2 million has been determined at 31 December 2020 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.

10 BUSINESS COMBINATIONS (continued)

(3) Goodwill impairment assessment (continued)

Royal Maternity Hospital Holding W.L.L (continued)
The pre-tax discount rate applied to the cash flow projections is 12.3%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 1%. 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
Middlesex Associates FZ-LLC
Revenue is mainly determined based on the number of students enrolled at the university. Management took into consideration the growth in the student numbers in the past 3 years and applied estimates for future enrolments based on expected demand for the university's offerings and programs, both locally and internationally. A reasonable decrease of 5% to 10% in the expected number of students is not expected to result in any impairment to goodwill.

Royal Maternity Hospital Holding W.L.L
Revenue is mainly determined based on the number of consultations, deliveries and surgeries at the hospital. Management took into consideration the growth in the number of services it provided from start of operations on April 2019 as well as the initial market research and the future outlook of the industry in Bahrain and applied estimates based on expected demand for the hospital's services, both locally and regionally. A reasonable decrease of 2% to 5% in the expected number of consultations, deliveries and surgeries is not expected to result in any impairment to goodwill.

Discount rate
Middlesex Associates FZ-LLC and Royal Maternity Hospital Holding W.L.L
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.

EBITDA margin
Royal Maternity Hospital Holding W.L.L
EBITDA margins have been mainly determined based on available information on comparable hospitals in the region. Management has benchmarked the estimated EBITDA margins over the 5-year cash flow projections with regional women's health premium hospitals, taking into consideration the ramp up period of the hospital. A reasonable decrease of 5% to 10% in the expected EBIDTA margins is not expected to result in any impairment to goodwill.

(4) Disposal of a subsidiary

During 2019, 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	(61,944)
Non-controlling interests (Note 29)	(3,694)
Net assets disposed of	-

11 INVESTMENTS IN ASSOCIATES

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

	2020 ***AED'000***	*2019* *AED'000*
Sukoon International Holding Company (1)	**129,474**	182,347
Taaleem Holdings PrJSC (2)	**184,174**	186,734
International Medical Center (3)	**381,700**	383,286
Abu Dhabi University Holdings LLC (4)	**374,407**	355,407
	1,069,755	1,107,774

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

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

	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	-	1,366
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

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:

	2020 ***AED'000***	*2019* *AED'000*
Current assets	**173,304**	313,362
Non-current assets	**133,175**	132,966
Current liabilities	**(56,899)**	(33,324)
Non-current liabilities	**(9,438)**	(13,845)
Equity	**240,142**	399,159
Group's share in net assets at 33.25% (2019: 33.25%)	**79,849**	132,722
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	**129,474**	182,347

	2020 ***AED'000***	*2019* *AED'000*
Revenue	**85,606**	110,330
Loss and other comprehensive income for the year	**(77,326)**	(22,015)
Group's share of total comprehensive loss at 33.25% (2019: 33.25%)	**(25,711)**	(7,320)

During the year ended 31 December 2020, Sukoon International Holding Company reduced its share capital by AED 170.1 million without change in its ownership structure, out of which AED 84.7 million was utilized to absorb the accumulated losses of the associate and the remaining amount of AED 81.7 million was returned to the shareholders. The Group classified its share of the capital return of AED 27,197 thousand under due from related parties, out of which AED 19.2 million was subsequently received by the Group.

(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:

	2020 ***AED'000***	*2019* *AED'000*
Current assets	**212,856**	184,413
Non-current assets, net of goodwill	**1,036,273**	1,067,059
Current liabilities	**(276,878)**	(321,304)
Non-current liabilities	**(320,012)**	(273,041)
Equity	**652,239**	657,127

11 INVESTMENTS IN ASSOCIATES (continued)

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

	2020 AED'000	*2019 AED'000*
Group's share in net assets at 21.67% (2019: 21.67%)	**141,340**	142,400
Goodwill and intangibles at acquisition	**45,071**	45,071
Cost of acquisition capitalized	**4,670**	4,670
Amortisation of PPA assets	**(6,907)**	(5,407)
Group's carrying amount of the investment	**184,174**	186,734
Revenue	**478,699**	509,849
Profit	**47,605**	73,862
Group's share of profit at 21.67% (2019: 21.67%)	**10,316**	16,006

(3) International Medical Center ("IMC")

The Group has a 13.13% interest (2019: 13.13%) in International Medical Center, which is involved in providing healthcare services in Jeddah, KSA. IMC is a closed joint stock entity that is not listed on any public exchange. During 2019, the Group disposed of its subsidiary Loai Reda & Hakeem Company for Trading Ltd. while retaining 13.18% direct interest in IMC. 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.

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.

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:

	2020 AED'000	*2019 AED'000*
Current assets	**616,091**	530,700
Non-current assets	**861,806**	862,539
Current liabilities	**(335,835)**	(281,887)
Non-current liabilities	**(204,398)**	(174,947)
Equity	**937,664**	936,405
Group's share in net assets at 13.13% (2019: 13.13%)	**123,151**	122,950
Goodwill, intangible and other fair value adjustments	**262,425**	262,425
Costs of acquisition capitalized	**3,283**	3,283
Amortisation of PPA assets	**(7,159)**	(5,372)
Group's carrying amount of the investment	**381,700**	383,286
Revenue	**1,202,941**	1,021,061
Profit and other comprehensive income	**33,542**	124,970
Group's share of total comprehensive income at 13.13% (2019: 13.13%)	**4,404**	17,202

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:

	2020 ***AED'000***	*2019* *AED'000*
Current assets	**211,568**	260,275
Non-current assets	**932,155**	870,312
Current liabilities	**(180,571)**	(236,009)
Non-current liabilities	**(284,595)**	(277,600)
Non-controlling interests	**12,487**	11,210
Equity attributable to the owners of ADU	**691,044**	628,188
Group's share in net assets at 35% (2019: 35%)	**241,865**	219,865
Goodwill and intangibles at acquisition	**131,194**	131,194
Costs of acquisition capitalized	**9,380**	9,380
Amortization of PPA assets	**(8,032)**	(5,032)
Group's carrying amount of the investment	**374,407**	355,407

	2020 ***AED'000***	*2019* *AED'000*
Revenue	**468,800**	406,618
Profit	**113,440**	68,341
Group's share of profit at 35% (2019: 35%)	**39,704**	23,920

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	2020 ***AED'000***	*2019* *AED'000*
Emirates NBD REIT Limited – quoted (1)	**14,359**	15,716
BEGiN – unquoted (2)	**18,609**	-
At 31 December	**32,968**	15,716

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

(2) The investment consists of a 0.0073% shareholding in a US-based leading education technology company.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI (continued)

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

	2020 ***AED'000***	*2019* *AED'000*
At 1 January	**15,716**	21,274
Acquired during the year	**18,609**	-
Net change in fair value	**(1,357)**	(5,558)
At 31 December	**32,968**	15,716

13 TRADE AND OTHER RECEIVABLES

	2020 ***AED'000***	*2019* *AED'000*
Trade receivables	**20,783**	15,298
Less: allowance for expected credit losses	**(8,792)**	(4,704)
	11,991	10,594
Prepayments	**6,950**	8,611
Accrued profit/interest on term deposits	**4,692**	3,872
Refundable deposits	**2,000**	1,826
Advances to suppliers	**943**	2,367
Dividends receivable	**-**	325
Other receivables	**4,537**	3,956
	31,113	31,551

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

	2020 ***AED'000***	*2019* *AED'000*
At 1 January	**4,704**	4,072
Charge for the year (Note 5)	**4,088**	3,221
Write-offs	**-**	(2,589)
	8,792	4,704

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.

14 RELATED PARTY TRANSACTIONS (continued)

Balances with related parties

	2020 ***AED'000***	*2019* *AED'000*
Due from related parties		
Associates		
Sukoon	**8,045**	798
Taaleem	**11,594**	16,468
IMC	**-**	4,835
ADU	**-**	4,339
Other related parties	**14**	118
	19,653	26,558

	2020 ***AED'000***	*2019* *AED'000*
Due to related parties		
Other related parties – non-current	**4,013**	-
Other related parties – current	**801**	3,247

Transactions with related parties
There were no material transactions with related during the years ended 31 December 2020 and 2019. 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:

	2020 ***AED'000***	*2019* *AED'000*
Short–term benefits	**10,890**	16,893
Post–employment benefits	**490**	802

15 CASH AND BANK BALANCES

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

	2020 ***AED'000***	*2019* *AED'000*
Cash on hand	**452**	122
Current accounts with banks	**87,351**	127,313
Call deposits with banks	**-**	3
Cash balance held with a third party (Note 16.2)	**14,848**	-
Pledged deposit	**3,896**	3,896
Shariah compliant term deposits	**306,040**	382,369
Non-Sharia compliant term deposits	**117,968**	57,999
Cash and bank balances	**530,555**	571,702

15 CASH AND BANK BALANCES (continued)

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

	2020	*2019*
	AED'000	*AED'000*
Cash and bank balances	**530,555**	571,702
Less:		
Cash balance held with a third party* (Note 16.2)	**(14,848)**	-
Pledged deposit	**(3,896)**	(3,896)
Shariah compliant term deposits (with initial maturity of more than 3 months)	**(106,590)**	(382,369)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	**-**	(57,999)
Bank overdraft (Note 18)	**(14,105)**	-
Cash and cash equivalents	**391,116**	127,438

During the year ended 31 December 2020, the Group earned an aggregate profit/interest of AED 9,498 thousand on its deposits (2019: AED 15,406 thousand) (Note 7.1).

16 SHARE CAPITAL AND TREASURY SHARES

16.1 Share capital

Authorised share capital
As at 31 December 2020 and 2019, the authorised share capital of the Company was AED 5 billion.

Issued share capital
As at 31 December 2020 and 2019 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.

16.2 Treasury shares

During the year ended 31 December 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity providing services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 December 2020, the Market Maker held 8,172,689 of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 6,702 thousand and classified under equity as treasury shares at 31 December 2020. Net gain of AED 523 thousand from the disposal of shares during the period has been recognized as Share Premium under equity. At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

17 STATUTORY RESERVES

As required by Article 239 of the U.A.E. Federal Law No. (2) of 2015, 10% of the profit for the year is required to be transferred to the Statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. During 2020, an amount of AED 1,008 thousand (2019: AED 6,002 thousand) has been transferred to statutory reserve. The statutory reserve is not available for distribution.

18 BANK FINANCING

	2020	*2019*
	AED'000	*AED'000*
Bank term loan		
Current	**7,792**	-
Non-current	**54,582**	57,152
	62,374	57,152

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 3-month BIBOR + 2.5% 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. During the year, the subsidiary availed additional financing of BHD 500 thousand (equivalent to AED 4,870 thousand)

19 OTHER LONG-TERM PAYABLE

	2020	*2019*
	AED'000	*AED'000*
Unamortised rent incentive – non-current portion	**3,821**	3,916

20 PROVISION FOR EMPLOYEES' END OF SERVICE BENIFITS

	2020	*2019*
	AED'000	*AED'000*
Balance as at 1 January	**7,959**	7,685
Charge for the year	**2,886**	2,134
Payments made during the year	**(1,236)**	(1,860)
Balance as at 31 December	**9,609**	7,959

21 ACCOUNTS AND OTHER PAYABLES

	2020	*2019*
	AED'000	*AED'000*
Accounts payable	**9,425**	7,921
Staff related accruals	**5,504**	7,003
Other accruals and payables	**39,168**	11,356
Directors' remuneration payable	**2,178**	2,100
Customer deposits	**1,540**	2,151
	57,815	30,531

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.

	2020	*2019*
Profit for the year attributable to equity holders of the Company (AED'000)	**10,082**	60,023
Number of ordinary shares ('000)	**2,493,707**	2,500,000
Basic and diluted earnings per share (AED)	**0.0040**	0.0240

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

23 DIVIDENDS

On 28 April 2020, a cash dividend of AED 0.02 per ordinary share (2019: AED 0.015 per ordinary share) was approved by the shareholders at the Annual General Assembly, as proposed by the Board of Directors in respect of 2019.

24 COMMITMENTS AND CONTINGENCIES

Group as lessee
At 31 December 2020, the future minimum lease payments for non-cancellable operating leases payable by the Group were as follows:

	2020 AED'000	*2019 AED'000*
Due in less than one year	**4,925**	5,195

Group as lessor
As mentioned in note 9, the Group entered into a finance lease as a lessor. Under the terms of the contract, subject to fulfilment of certain criteria, the Group may be required to fund an additional amount of up to AED 12.4 million (2019: AED 35 million) for the expansion and improvement of the underlying asset within a contractually agreed time frame.

Contingencies
The Company and its subsidiaries do not have any significant contingent liabilities at the reporting date (2019: Nil). Below are details of the Group's share of its associates' contingent liabilities at the reporting date.

	2020 AED'000	*2019 AED'000*
Bank guarantees	**35,758**	28,943

25 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade and other payables, borrowings, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade 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.

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 2020 and 2019 is the carrying amounts of the financial assets as follows:

	2020	*2019*
	AED'000	*AED'000*
Trade and other receivables	**23,220**	17,249
Finance lease receivables	**405,322**	365,223
Due from related parties	**19,653**	26,558
Investments in financial assets	**32,968**	15,716
Cash at banks	**530,103**	571,580
	1,011,266	996,326

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

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

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

Trade receivables
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.

25 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Trade receivables (continued)
Trade receivables relate to the subsidiaries and are largely categorized in buckets of past due for less than 60 days, 61 to 120 days, 121 to 365 and above 365 days. Expected credit loss rates range between 0% to 96% for the different buckets. At the reporting date, total trade receivables amounted to AED 20,783 thousand (2019: AED 15,298 thousand) against which an ECL of AED 8,792 thousand (2019: AED 4,704 thousand) is made. Management believes no further disclosure is relevant to the consolidated financial statements as these businesses are largely cash based and the total amounts receivable and ECL provisions are not material to the consolidated financial statements taken as a whole.

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

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

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

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

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

31 December 2020

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

25 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

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
Due to related parties	3,247	-	-	-	-	3,247
Financial liability at FVTPL	-	27,850	-	-	-	27,850
	3,247	53,830	10,168	52,346	69,596	189,187

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.

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

	2020 AED'000	*2019 AED'000*
Fixed rate instruments – assets		
Wakala and term deposits with banks	**424,008**	444,264
Variable rate instruments – liabilities		
Bank financing	**(62,374)**	(57,152)
Bank overdraft	**(14,105)**	-
	(76,479)	(57,152)

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.

25 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Equity price risk
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 718 thousand (2019: AED 786 thousand) and an equal change in the opposite direction would have decreased other comprehensive income and equity by the same amount.

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

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. Capital includes share capital, share premium, treasury shares and all other equity reserves attributable to the equity holders of the Company. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019.

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 2020 and 2019 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 quoted financial asset at FVOCI is carried at fair value using quoted price.

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

- Management assessed that the book value of long-term borrowings as at 31 December 2020 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.

26 FAIR VALUE MEASUREMENT (continued)

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

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 2020						
Revenue	-	**131,556**	**12,009**	**143,565**	-	**143,565**
Direct costs	-	**(59,634)**	**(21,250)**	**(80,884)**	-	**(80,884)**
General and administrative expenses	**(58,400)**	**(43,176)**	**(19,338)**	**(120,914)**	**(2,000)**	**(122,914)**
Other operating income	**3,493**	**138**	**692**	**4,323**	**(2,500)**	**1,823**
Share of results of associates	**22,426**	-	-	**22,426**	-	**22,426**
Share of results of subsidiaries	**661**	-	-	**661**	**(661)**	-
Finance income	**41,944**	**89**	-	**42,033**	**(1,164)**	**40,869**
Finance costs	**(42)**	-	**(6,444)**	**(6,486)**	**1,164**	**(5,322)**
Segment results	**10,082**	**28,973**	**(34,331)**	**4,724**	**(5,161)**	**(437)**
Total assets	**2,543,945**	**67,147**	**149,805**	**2,760,897**	**(40,174)**	**2,720,723**
Total liabilities	**(31,865)**	**(56,834)**	**(129,086)**	**(217,785)**	**15,487**	**(202,298)**
Capital expenditure	**(289)**	**(1,047)**	**(4,955)**	**(6,291)**	-	**(6,291)**

	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)	(11,366)	(69,690)	-	(69,690)
General and administrative expenses	(51,677)	(51,851)	(17,591)	(121,119)	(2,790)	(123,909)
Other operating income	23,825	2,232	109	26,166	(3,466)	22,700
Share of results of associates	43,510	-	-	43,510	-	43,510
Share of results of subsidiaries	2,939	-	-	2,939	(2,939)	-
Finance income	42,611	212	-	42,823	(725)	42,098
Finance costs	-	(735)	(4,651)	(5,386)	754	(4,632)
Segment results	61,208	29,603	(29,465)	61,346	(9,166)	52,180
Total assets	2,605,131	69,198	159,074	2,833,403	(68,946)	2,764,457
Total liabilities	(41,230)	(51,858)	(104,024)	(197,112)	13,420	(183,692)
Capital expenditure	(366)	(3,449)	(7,218)	(11,033)	-	(11,033)

28 SUBSEQUENT EVENTS

In the normal course of business, the Group has entered into conditional agreements for potential investments, which are material in nature but for which there is no certainty that they will ultimately be completed.

29 MATERIAL PARTLY-OWNED SUBSIDIARY

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

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

Subsidiary	**Non-controlling interests**	
	2020	*2019*
Royal Maternity Hospital Holding W.L.L	**30.64%**	30.64%

Accumulated balance of non-controlling interests:

	2020	*2019*
	AED'000	*AED'000*
Royal Maternity Hospital Holding W.L.L ("RMH")	**6,345**	16,864

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

Summarised consolidated statement of profit or loss for the year ended 31 December 2020:

	2020	*2019*
	AED'000	*AED'000*
Revenue from contracts with customers and other income	**12,009**	4,034
Costs and expenses	**(40,588)**	(28,957)
Other income	**692**	109
Finance costs	**(6,444)**	(4,651)
Loss for the year	**(34,331)**	(29,465)
Attributable to non-controlling interests	**(10,519)**	(9,028)

Summarised consolidated statement of financial position as at 31 December 2020:

	2020	*2019*
	AED'000	*AED'000*
Non-current assets	**139,049**	142,162
Current assets	**10,756**	16,912
Non-current liabilities	**(92,569)**	(95,137)
Current liabilities	**(36,517)**	(8,887)
Total equity	**20,719**	55,050
Attributable to non-controlling interests	**6,345**	16,864

Summarised cash flow information for the year ended 31 December 2020:

	2020	*2019*
	AED'000	*AED'000*
Operating	**(16,572)**	(16,074)
Investing	**(4,955)**	(7,124)
Financing	**839**	30,974
Net decrease in cash and cash equivalents	**(20,688)**	7,776

29 MATERIAL PARTLY-OWNED SUBSIDIARY (continued)

(3) Movements in non-controlling interests

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

	Non-controlling interest	
	2020	*2019*
	AED'000	*AED'000*
Balance as at 1 January	**16,864**	30,244
Profit/(loss) for the year		
RMH	**(10,519)**	(9,028)
LT	-	1,185
Dividend paid		
LT	-	(1,843)
Disposal of subsidiary		
LT	-	(3,694)
Balance as at 31 December	**6,345**	16,864

30 IMPACT OF CORONAVIRUS (COVID-19)

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

Subsequent to 31 December 2020, as the effect of the pandemic continues to evolve, the Group may face additional risks and uncertainties, if further actions are taken by the countries in which the Group operates.

The extent and duration of such impact remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these consolidated financial statements. Notwithstanding, these developments could impact the Group's financial results, cash flows and financial condition during 2021.

The main elements related to the Group's consolidated financial statements which are potentially impacted by COVID-19 as of and for the year ended 31 December 2020 are detailed below:

Government assistance
To mitigate the impact of the COVID-19 pandemic, the Group's subsidiary in Bahrain received assistance from the Government of Bahrain in the form of cash payment covering salaries of Bahraini employees in the amount equivalent to AED 451 thousand.

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

31 COMPARATIVE FIGURES

Certain comparative figures in the consolidated statement of profit or loss have been reclassified, where appropriate, to confirm to the current period's presentation. Such reclassifications did not have any impact on the previously reported net assets at 31 December 2019 and results of the Group for the year then ended and are summarized as follows.

Consolidated statement of profit or loss

	As previously reported AED'000	*Reclassification AED'000*	*As currently reported AED'000*
Direct costs	(60,073)	(9,617)	(69,690)
Gross profit	82,030	(9,617)	72,413
General and administrative expenses	(133,430)	9,521	(123,909)
Other operating income	22,604	96	22,700