Consolidated financial statements for the year ended 31 December 2021

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الـواحة كـابـيـتـال
WAHA CAPITAL

TABLE OF CONTENTS

Chairman's Report

Dear Shareholders,

I am pleased to report that Waha Capital PJSC achieved a net profit of AED 391 million in 2021, an increase of 69% from the previous year. The company displayed considerable resilience during a challenging macroeconomic environment, characterised by heightened geopolitical uncertainty, ongoing disruption due to the COVID-19 pandemic, and rising global inflation.

Despite this, I am proud to report the Company continued to develop and position both the Public Markets and Private Investments businesses for further growth. Waha Capital's total assets under management (AUM) grew to AED 5.84 billion, by year end.

2021 saw the Public Markets business reach US$ 1.2 billion of assets under management, a significant milestone that creates new opportunities for our funds to attract a wider range of institutional investors as well as larger ticket sizes. Our flagship credit and equity funds outpaced relative industry benchmarks during the year, continuing their remarkable multi-year track record of outperformance, and producing attractive returns on both our own invested capital and for third-party investors.

The second half of 2021 saw the Private Investments business activate a new investment strategy. With a new team in place, the business began to deploy capital in line with its flexible "Global Opportunities" strategy, making its first investments in this portfolio with further transactions in the pipeline for next year. Following a strategic review, the team has continued to implement a multi-year value creation plan for its Core and Legacy portfolios.

While the international operating environment remains uncertain, Waha Capital's strong financial and operating performance in 2021 provides a solid foundation for future growth.

I would like to take this opportunity to express my gratitude to the UAE's leadership for their unparalleled efforts to steer both the country and the economy through what remains of the pandemic.

I would also like to thank the management and employees at Waha Capital for their contributions, and to congratulate them for achieving strong financial results in 2021.

Waleed Al Mokarrab Al Muhairi
Chairman
Waha Capital

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

AL WAHA CAPITAL PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Codes of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our 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.

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

Valuation of financial investments

As disclosed in note 28 to the consolidated financial statements, as at 31 December 2021, the Group had financial investments measured at fair value amounting to AED 6,414 million, representing 67% of total assets. Included in those are financial investments which require significant unobservable inputs in estimating fair value, and hence categorised within level 3 of the fair value hierarchy. As at 31 December 2021, 5% of financial investments measured at fair value were categorised within level 3. Due to the significance of financial investments measured at fair value, and the uncertainty in valuation involving significant judgement for unlisted equity and fund investments, valuation of these financial investments is considered a key audit matter.

As part of our audit procedures, we have:

- Evaluated and tested the design and operating effectiveness of key controls related to valuation of financial instruments, independent price verification, and independent model validation and approval.

- Evaluated the valuation techniques, inputs and assumptions through comparison with the valuation techniques commonly used in the markets, validation of observable inputs using external market data, and comparison with valuation outcomes obtained from various pricing sources.

- For valuations which used significant unobservable inputs, such as unlisted equity investments and unquoted fund investments, we involved our internal valuation specialists in assessing the models used, re-performing independent valuations, and analysing the sensitivities of valuation results to key inputs and assumptions.

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

Recognition and valuation of investment properties

As disclosed in note 8 to the consolidated financial statements, the Group's investment properties amounted to AED 711 million representing 7.42% of total assets as at 31 December 2021.

The investment properties arose from the recognition of a portion of the land granted by the Abu Dhabi Government. The Group accounts for investment properties initially at cost and subsequently measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss. The Group uses independent valuers to determine the fair value of the investment properties on an annual basis.

As the fair value is determined based on level 3 valuation methodologies, it requires management to apply significant judgement in determining the fair value of investment properties. We have identified the recognition and valuation of investment properties as a key audit matter in view of the significant judgments involved.

As part of our audit procedures, we have:

- Obtained an understanding of the design and implementation of key controls around the underlying processes and methodologies implemented by management in recognizing and performing valuation of investment properties;

- Assessed the external valuer's competence, capabilities and objectivity by perusing their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed any scope limitations in their work;

- Involved our real estate specialists to assist us in evaluating the assumptions and methodologies of both management and the external valuer. With the assistance of our real estate specialists, we have assessed whether the valuations were performed in accordance with Royal Institution of Chartered Surveyors Valuation Professional Standards;

- Gained an understanding of both management and the external valuer's valuation methodologies (e.g., income capitalisation approach, residual value method) and their assumptions applied such as rental yields, discount rates etc. by comparing yields on a sample of similar properties and by evaluating the extent to which the movements in valuations were consistent with our industry knowledge and comparable market transactions;

- Compared a sample of key inputs used in the valuation models, such as rental income, occupancy and current tenancy contracts to lease contracts to ensure the accuracy of the information supplied to the external valuer by management; and

- Evaluated management's established criteria for recognition of government grants for reasonability.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

AL WAHA CAPITAL PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Other information

Other information consists of the information included in the Chairman's Report, Management's Discussion and Analysis and Annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Chairman's Report and Management Discussion and Analysis prior to the date of our audit report, and we expect to obtain the Annual Report after the date of our auditor's opinion. The Board of Directors and management are 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 or the other information obtained prior to the date of the auditor's opinion, 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 management and those charged with governance 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 Memorandum and Articles of Association of the Company and the UAE Federal Law No. (2) of 2015 (as amended), 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 ISA 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

AL WAHA CAPITAL PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued
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.

- 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 Group'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 Group 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 those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

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

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

AL WAHA CAPITAL PJSC continued

Report on Other Legal and Regulatory Requirements

As required by UAE Federal Law No. (2) of 2015 (as amended), we report that for the year ended 31 December 2021:

i) we have obtained all the information and explanations 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 (as amended) and the Memorandum and Articles of Association of the Company;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Chairman's Report is consistent with the books of account of the Group;

v) Investment in shares and stocks are included in note 12 to the consolidated financial statements and include purchases and investment made by the Group during the year ended December 31, 2021;

vi) note 25 to the consolidated financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted;

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

viii) note 23 to the consolidated financial statements discloses social contributions made during the year ended 31 December 2021.

Signed by
Raed Ahmad
Partner
Ernst & Young
Registration No. 811

14 February 2022
Abu Dhabi

الواحة كابيتال
WAHA CAPITAL

Consolidated statement of financial position
As at 31 December

	Note	2021 AED '000	2020 AED '000
ASSETS			
Property and equipment, net	7	**36,392**	46,368
Right-of-use assets	19	**99,649**	113,550
Investment property	8	**711,422**	715,989
Goodwill and intangible assets	9	**78,983**	79,080
Loan investments	10	**-**	45,003
Investments in equity-accounted associates and joint ventures	11	**170,242**	472,076
Financial investments	12	**6,414,024**	6,163,043
Inventories		**15,604**	15,224
Trade and other receivables	13	**641,900**	526,796
Cash and bank balances	14	**1,421,350**	704,684
Total assets		**9,589,566**	8,881,813
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,944,515**	1,944,515
Treasury shares	15	**(267,184)**	(267,184)
Retained earnings		**1,089,852**	848,229
Reserves		**544,666**	505,847
Equity attributable to the Owners of the Company		**3,311,849**	3,031,407
Non-controlling interests	5.2	**1,479,541**	1,118,188
Total equity		**4,791,390**	4,149,595
Liabilities			
Borrowings	16	**4,117,198**	4,211,842
End of service benefit provision		**26,288**	26,058
Derivative liabilities	17	**100,626**	29,907
Lease liabilities	19	**119,918**	126,383
Trade and other liabilities	18	**434,146**	338,028
Total liabilities		**4,798,176**	4,732,218
Total equity and liabilities		**9,589,566**	8,881,813

These consolidated financial statements were authorised for issue by the Board of Directors on 14 February 2022 and signed on their behalf by:

Chairman **Chief Executive Officer** **Chief Financial Officer**

The notes numbered 1 to 28 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 to 7.

الواحة كابيتال
WAHA CAPITAL

Consolidated statement of profit or loss
For the year ended 31 December

	Note	2021 AED '000	2020 AED '000
Revenue from sale of goods and services	20	**301,940**	301,589
Cost of sale of goods and services	20	**(246,733)**	(237,086)
Gross profit		**55,207**	64,503
Share of loss from equity-accounted associates and joint ventures, *net*	11	**(11,488)**	(24,356)
Impairment of equity-accounted associates and joint ventures, net	11	**(77,970)**	(9,915)
Gain on disposal of equity-accounted associates and joint ventures		**50,511**	-
Income from financial investments	21	**874,429**	605,024
Gain on settlement of loan investments	10	**-**	11,244
Income from investment property, *net*	8	**47,903**	39,578
Other income / (expense), *net*	22	**8,036**	(28,401)
Net operating income		**946,628**	657,677
General and administrative expenses	23	**(239,537)**	(212,106)
Finance cost, *net*	24	**(97,436)**	(105,674)
Profit for the year		**609,655**	339,897
Profit for the year attributable to:			
Owners of the Company		**391,038**	230,969
Non-controlling interests		**218,617**	108,928
Profit for the year		**609,655**	339,897
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	15	**0.213**	0.126

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December

	2021 AED '000	2020 AED '000
Profit for the year	**609,655**	339,897
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Share of changes in other reserves of equity-accounted associates and joint ventures (note 11.2)	**(279)**	(4,298)
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal (note 11.2)	**(6)**	-
Other comprehensive loss for the year	**(285)**	(4,298)
Total comprehensive income for the year	**609,370**	335,599
Total comprehensive income attributable to:		
Owners of the Company	**390,753**	226,671
Non-controlling interests	**218,617**	108,928
Total comprehensive income for the year	**609,370**	335,599

Consolidated statement of changes in equity
For the year ended 31 December

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Other reserves AED '000	Total reserves AED '000	Equity attributable to Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
At 1 January 2020	1,944,515	(267,184)	648,650	486,991	57	487,048	2,813,029	1,345,715	4,158,744
Profit for the year	-	-	230,969	-	-	-	230,969	108,928	339,897
Other comprehensive loss	-	-	-	-	(4,298)	(4,298)	(4,298)	-	(4,298)
Total comprehensive income / (loss)	-	-	230,969	-	(4,298)	(4,298)	226,671	108,928	335,599
Transfer to statutory reserve	-	-	(23,097)	23,097	-	23,097	-	-	-
Acquisition of non-controlling interests	-	-	(8,293)	-	-	-	(8,293)	(2,524)	(10,817)
Redemptions by non-controlling interests, net (note 5.2)	-	-	-	-	-	-	-	(333,931)	(333,931)
At 31 December 2020	1,944,515	(267,184)	848,229	510,088	(4,241)	505,847	3,031,407	1,118,188	4,149,595
At 1 January 2021	1,944,515	(267,184)	848,229	510,088	(4,241)	505,847	3,031,407	1,118,188	4,149,595
Profit for the year	-	-	391,038	-	-	-	391,038	218,617	609,655
Other comprehensive loss	-	-	-	-	(285)	(285)	(285)	-	(285)
Total comprehensive income / (loss)	-	-	391,038	-	(285)	(285)	390,753	218,617	609,370
Cash dividend (note 17)			(110,311)	-	-	-	(110,311)	-	(110,311)
Transfer to statutory reserve	-	-	(39,104)	39,104	-	39,104	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-	-	-	-	142,736	142,736
At 31 December 2021	1,944,515	(267,184)	1,089,852	549,192	(4,526)	544,666	3,311,849	1,479,541	4,791,390

The notes numbered 1 to 28 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 to 7.

الـواحـة كـابـيـتـال
WAHA CAPITAL

Consolidated statement of cash flows
For the year ended 31 December

	Note	2021 AED '000	2020 AED '000
Cash flows from operating activities			
Profit for the year		**609,655**	339,897
Adjustments for:			
Depreciation on property and equipment, net	7	**16,726**	18,362
Depreciation on right-of-use assets	19	**14,687**	13,915
Finance cost, *net*	24	**97,436**	105,674
Charge for employees' end of service benefits		**3,557**	2,621
Income from financial assets at fair value through profit or loss		**(874,429)**	(605,024)
Share of loss from equity-accounted associates and joint ventures, *net*	11	**11,488**	24,356
Impairment of equity-accounted associates and joint ventures, net	11	**77,970**	9,915
Gain on disposal of equity-accounted associates and joint ventures		**(50,511)**	-
Gain on disposal of a subsidiary	22	**-**	(2,191)
Gain on disposal of investment property	8	**(1,566)**	(2,607)
Dividend from equity-accounted associates and joint ventures	11	**18,603**	13,907
Other expense		**-**	37,443
Amortisation and impairment of intangible assets	9	**381**	453
(Reversal) / impairment of loan investment	10	**(972)**	972
Provision for expected credit losses		**18,712**	10,396
Receipt on disposal of investment in asset held for sale and equity-accounted joint venture		**134,841**	-
Investments in financial assets at FVTPL		**803,325**	518,387
Loans repaid for financial assets at FVTPL	16	**(371,218)**	(302,652)
Finance cost paid on loans obtained against financial assets at FVTPL		**(41,688)**	(53,349)
Interest expense on lease liabilities	19	**(8,376)**	(8,508)
Gain on settlement of loan		**-**	(11,244)
Changes in working capital:			
Change in inventories		**(380)**	(2,518)
Change in trade and other receivables		**(128,986)**	177,884
Change in trade and other liabilities		**96,118**	(238,186)
Net cash generated from operations		**425,373**	47,903
Employees' end of service benefits paid		**(3,327)**	(6,393)
Net cash generated from operating activities		**422,046**	41,510
Cash flows from investing activities			
Purchase of intangibles, net	9	**(284)**	(93)
Payments made for development of investment property	8	**(1,697)**	(7,542)
Purchase of property and equipment, net	7	**(6,750)**	(7,317)
Proceeds from disposal of a subsidiary, net of cash disposed	5.3	**-**	(480)
Proceeds from disposal of investment properties		**5,800**	2,600
Wakala deposit placed		**-**	35,000
Interest received		**1,189**	7,388
Net cash (used in) / generated from investing activities		**(1,742)**	29,556
Cash flows from financing activities			
Finance cost paid on borrowings		**(68,282)**	(58,098)
Lease liabilities principal paid		**(7,251)**	(8,452)
Loans repaid	16	**(354,080)**	(602,446)
Loans obtained	16	**647,575**	893,649
Proceeds from loan settlement		**-**	23,527
Loan investment repaid / (provided)		**45,975**	(45,975)
Dividends paid	15	**(110,311)**	-
Contributions / (redemptions) by non-controlling interest holders, net		**142,736**	(333,931)
Net cash generated from / (used in) financing activities		**296,362**	(131,726)
Net increase / (decrease) in cash and cash equivalents		**716,666**	(60,660)
Cash and cash equivalents at 1 January		**704,684**	765,344
Cash and cash equivalents at 31 December	14	**1,421,350**	704,684

The notes numbered 1 to 28 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 to 7.

Notes to the consolidated financial statements

1 Legal status and principal activities

Al Waha Capital PJSC (the "Company") is a public joint stock company with limited liability, formed in the Emirate of Abu Dhabi, United Arab Emirates, by Emiri Decree No. 10 dated 20 May 1997 and incorporated on 12 July 1997.

These consolidated financial statements comprise the results and financial position of the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities ("associates and joint ventures").

The Group invests in a wide range of sectors, including public markets, industrial real estate, infrastructure, healthcare, fintech and oil and gas.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the UAE laws.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the current period consolidated financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would consider those characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Functional currency and presentation currency

The functional currency of the Company is the US Dollar ("US$"). The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of these consolidated financial statements, the results and financial position of the Group are presented in United Arab Emirates Dirhams ("AED"), which is the Group's presentation currency. All financial information presented in AED has been rounded to the nearest thousand, unless otherwise stated.

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

(d) New and revised IFRS

(i) New and revised IFRSs adopted with no material effect on the consolidated financial statements

In the current year, the Group has applied a number of standards and amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2021, as follows:

New and revised IFRSs	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

The application of these revised and new IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

(ii) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 - *Property, Plant and Equipment* — Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 - *Onerous Contracts* — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020 (Amendments to IFRS 1, 9 and 16 and IAS 41)	1 January 2022
IFRS 17 *Insurance Contracts*	1 January 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Notes to the consolidated financial statements (continued)

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

(i) Subsidiaries

Consolidation of a subsidiary is achieved when the Company obtains control over the investee and ceases when the Company loses control of the investee. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the investee.

Profit or loss and each component of other comprehensive income are attributed to the Owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners 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.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

All intragroup balances, equity, income, expenses and cash flows resulting from intragroup transactions are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(ii) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(iii) Investments in equity accounted associates and joint ventures

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Investments in equity accounted associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Associates designated at FVTPL

Interests in associates that are held as part of the Group's investment portfolio are carried in the consolidated statement of financial position at fair value. IAS 28 *Investments in Associates and Joint Ventures*, allows investments in associates held by venture capital organisations to be designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the consolidated statement of profit or loss in the period of the change.

(b) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the non-current asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an equity accounted associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (refer to note 3 (a)(iii)).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(c) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment loss. The cost of property and equipment is the purchase cost plus any directly attributable cost of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate the assets' cost to their residual value over their estimated useful life, on the following basis:

Description	**Estimated useful lives**
Leasehold improvements	3 to 5 years
IT equipment, furniture and fittings	3 to 5 years
Medical and other equipment	5 to 7 years
Motor vehicles	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

(d) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Cost includes all direct costs attributable to bringing the assets to the location and condition necessary for the asset to operate in the manner intended, including related staff costs, design, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, they are transferred from work-in-progress to completed properties. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(e) Goodwill and intangible assets

(i) Goodwill

Goodwill arising upon an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an equity accounted investee is described at note 3 (a) (iii) above.

(ii) Other intangible assets acquired in a business combination

Other intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost), and include trademarks, licenses contracts and software.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets, on the following basis:

Description	Estimated useful lives
Trademarks	5 to 10 years
Licenses	5 years
Contract	5 years
Software	3 to 5 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(iii) De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(f) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated selling expenses. Allowance for obsolete and slow moving inventory is made to reduce the carrying amount of inventories to their net realisable value.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments

(i) Initial recognition

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument except for "regular way" purchases and sale of financial assets which are recognised on trade date basis (other than derivative assets).

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Options which are acquired at transaction cost, with a different day one fair value based on unobservable inputs, are initially recognised at fair value; and any differences between fair value and transaction cost are deferred into unearned income, which is recycled into profit and loss account over the life of the options. Any subsequent changes on the re-measurement of fair value are presented in profit and loss account.

(ii) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Debt instruments
Debt instruments are classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments are measured at amortised cost, net of any write down for impairment, only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest calculated using the effective interest method is recognised in profit or loss and is included in 'Finance cost, net'. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group may choose at initial recognition to designate a debt instrument that otherwise qualifies to be measured at amortised cost or as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch. All other debt instruments must be measured as at FVTPL.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(ii) Financial assets (continued)

Other financial assets measured at amortised cost
Trade and other receivables and cash and bank balances are measured at amortised cost less any impairment. Interest income is recognised on an effective interest basis, except for short term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents include cash on hand and deposits held with banks for working capital purposes (excluding deposits held under lien) and term and Wakala deposits of original maturity less than 3 months.

Equity instruments
A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments designated at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 15 *Revenue from Contracts with Customers*, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in 'other income, net' (note 22).

(iii) Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(iii) Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract is designated as at FVTPL in accordance with IFRS 9.

Financial liabilities designated at FVTPL are stated at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognised in profit or loss. Such gains or losses that are recognised in profit or loss incorporate any interest paid on the financial liabilities and are included in the ‘Income from financial investments’ line item in the consolidated statement of profit or loss.

However, for non-held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(iii) Financial liabilities and equity instruments (continued)

Financial liabilities (continued)
Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance cost, *net*' line item in the consolidated statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iv) Reclassification

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the Group's business model objective for its financial assets changes so its previous model assessment would no longer apply.

If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Group does not restate any previously recognised gains, losses, or interest.

Reclassification is not allowed for:
- equity investments measured at FVTOCI, or
- where the fair value option has been exercised in any circumstance for a financial asset or financial liability.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in:

- Profit or loss, for securities measured at amortised cost or FVTPL, or
- Other comprehensive income, for investments at FVTOCI. At the time of derecognition of FVTOCI investment any revaluation reserve is transferred to retained earnings.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(vi) Offsetting

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle either on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

The Group is party to a number of arrangements, including master netting agreements that give it the right to offset financial assets and financial liabilities but, where it does not intend to settle the amounts net or simultaneously, the assets and liabilities concerned are presented on a gross basis.

(vii) Repurchase and reverse repurchase contracts

Securities sold subject to a commitment to repurchase them at a predetermined price at a specified future date (repos) continue to be recognised in the consolidated statement of financial position and a liability is recorded in respect of the consideration received under borrowings. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position. Amounts placed under these agreements are included in 'Reverse-repo contracts' within 'Financial investments'.

(viii) Foreign exchange gains and losses

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- for financial assets and liabilities that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss; and
- for financial assets that are equity instruments and designated as at FVTOCI, any foreign exchange component is recognised in other comprehensive income.

For foreign currency denominated financial assets and liabilities measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'Income from financial investments' line item in the consolidated statement of profit or loss.

(ix) Derivative financial instruments

The Group enters into a variety of derivative financial instruments, including equity price collars, foreign exchange forward contracts and interest rate swaps to manage its exposure to equity price, interest rate and foreign exchange rate risks.
In addition, the Group acquired options and warrants (the Options), pursuant to which the Group can increase its ownership stake in equity accounted associates and joint ventures. Further details of derivative financial instruments are disclosed in note 12.

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit immediately unless: (i) the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship or (ii) the derivative is capitalised as unearned income and subsequently recognised in profit or loss over the life of the options and warrants.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(ix) Derivative financial instruments (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

(x) Hedge accounting

The Group has designated its equity price collars, in respect of its cash flow risk resulting from changes in equity price on a forecasted sale of equity accounted investee, as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 12 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of revaluation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in "other income, net".

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of profit or loss as the recognised hedged item. If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the revaluation reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the future cash flows occur; if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

When the Group separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of the option, it recognises some or all of the change in the time value in other comprehensive income which is later removed or reclassified from equity as a single amount or on an amortised basis (depending on the nature of the hedged item) and ultimately recognised in profit or loss.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group will adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(xi) Impairment of financial assets

Under IFRS 9, the Group recognises a loss allowance for expected credit losses on financial assets. No impairment loss is recognised for investments in equity instruments which are carried at FVTPL. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for its trade and other receivables. Further, the Group applies the general approach for all other financial assets carried at amortised cost.

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(xi) Impairment of financial assets (continued)

Significant increase in credit risk (continued)
Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(i) Financial instruments (continued)

(xi) Impairment of financial assets (continued)

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of financial assets at amortised cost, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default for financial assets is represented by the assets' gross carrying amount at the reporting date. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals, if applicable; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment amount in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through an allowance for expected credit losses account.

(j) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(k) Revenue recognition (continued)

(i) Sale of goods and services

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group recognises revenue from the sale of goods and services from the following:

a) healthcare services to patients at its various clinics;
b) laboratory services to patients for tests requested by patients or prescribed by doctors; and
c) contracts with customers for the sale of pharmacy items including medicines and other consumables

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(k) Revenue recognition (continued)

(ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Rental income

The Group's policy for recognition of revenue from operating leases is described in note (l) below.

(iv) Public markets transactions

The Group has arranged debt capital financing on behalf of its clients for the acquisition of high value items, such as vessels and aircraft. The Group earns income from arranging, advising on and administering such transactions, which are accounted for in accordance with IFRS 15 *Revenue from Contracts with Customers*. Fee income earned from the provision of services is recognised as revenue when the services are performed .

(l) Leasing

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.

(i) The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(l) Leasing (continued)

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (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 of 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.

(m) Employee benefits

The provision for employees' end of service benefit is calculated in accordance with the UAE Federal Labour Law and is recognised as an expense in the consolidated statement of profit and loss on an accrual basis.

Pension contribution for GCC nationals is recognised as an expense in the consolidated statement of profit and loss on an accrual basis.

Liabilities recognised in respect of other long-term employee benefits, included in trade and other liabilities, are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the consolidated financial statements (continued)

3 Significant accounting policies (continued)

(o) Government grants

The Group believes that, in most cases, when land is initially received through government grants, the probability that future economic benefits will flow to the Group is uncertain, since, until the Group has established plans to utilise the land, it is possible that such land may revert back to the government. In addition, in the absence of identified use of the land, the amount of future economic benefits cannot be determined with reasonable certainty. Accordingly, land so received is not initially recognised in the consolidated financial statements until certain events occur, which enable management to conclude that it becomes probable that future economic benefits will flow to the Group from its ownership of such land.

Land received as government grants that do not meet the criteria that future economic benefits will flow to the Group, are not recognised, but their existence is disclosed in the consolidated financial statements. The determination of whether future economic benefits will flow to the Group is made by management using guidelines approved by the Board of Directors; each such determination is also approved by the Board of Directors. Once the determination is made, land is recognised in the financial statements at nominal value.

At the point of such initial recognition, and subsequently, at each reporting date, an assessment is made by the Group as to the ultimate use of the land, and based on such assessment, the land is transferred to the relevant asset category (such as investment property, property, plant and equipment or inventory) depending on its intended use, and is thereafter accounted for using the accounting policy in place for that relevant asset category.

(p) Statutory reserve

In accordance with the Companies Law and the Company's Articles of Association, 10% of the profit after tax is transferred at the end of each financial year to a non-distributable statutory reserve. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates or assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

(a) Key sources of estimation uncertainty

(i) Investment property valuation

The Group’s investment properties are revalued at the end of the reporting period by management with reference to accredited independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair values are based on market values, being the estimated consideration that would be exchanged at an arms’ length transaction between knowledgeable market participants at measurement date.

Notes to the consolidated financial statements (continued)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Key sources of estimation uncertainty (continued)

(i) Investment property valuation (continued)

In the absence of reliable estimates of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated future cash flows expected to be received from the property considering income capitalization approach, comparable method and residual value method. Based on the revaluation, a fair value decrease of AED nil was recognised in the current year (2020: decrease of AED nil). The fair valuation methodology of the investment properties are disclosed in note 8.

(ii) Impairment of equity-accounted associates and joint ventures

The investment in equity accounted associates was tested for potential impairment, by comparing its carrying amount and recoverable amount.

The recoverable amount of the investment in Petronash was determined using the income approach (discounted cash flows), the market approach (EBIDA multiples) including an analysis over the operational and financial performance of the Company.

Based on estimates of recoverable amount developed in accordance with these assumptions, an impairment of AED 77,970 thousand was recognised (2020: AED 9,915 thousand).

(iii) Impairment of goodwill

Goodwill arising from the acquisition of Anglo Arabian Healthcare and its subsidiaries was tested for impairment during the year. The critical estimates involved are disclosed in note 9.

(iv) Allowance for expected credit losses

The Group has estimated the recoverability of trade and other receivables, and loan investments and has considered the allowance required for Expected Credit Losses ("ECL").

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for its trade and other receivables. Further, the Group applies the general approach for all other financial assets carried at amortised cost.

ECL are measured as an allowance equal to 12 months ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

As at 31 December 2021, provision for expected credit losses on trade receivables amounting to AED 174,767 thousand (2020: AED 184,364 thousand) amounted to AED 73,461 thousand (2020: AED 55,174 thousand) and provision for expected credit losses on other receivables amounting to AED 31,226 thousand (2020: AED 29,012 thousand) amounted to AED 989 thousand (2020: AED 3,714 thousand). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Notes to the consolidated financial statements (continued)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

(a) Key sources of estimation uncertainty (continued)

(v) Fair value of financial instruments

The Group has financial assets and liabilities that are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various financial assets and liabilities are disclosed in note 28.

(vi) COVID 19

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration and its impact on the business and overall economic impact. The outbreak of COVID-19 has had an impact on demand for oil and petroleum products.

The extent and duration of such impacts 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. The management believes that the COVID- 19 has no significant impact for the year ended 31 December 2021 except on an investment in an equity-accounted associate which was fully written down during the year (note 11), however, these COVID-19 developments could impact future financial results, cash flows and the financial condition of the Group.

(b) Critical accounting judgements

(i) Possibility of future economic benefits from land received as government grant

Refer to note 3(o) for a description of judgements used to ascertain the possibility of future economic benefits from land received as government grant.

(ii) Indemnity provided upon disposal of a subsidiary

On 15 February 2017, the Group through its UAE healthcare subsidiary, Anglo Arabian Healthcare Investment (AAH), has entered into a share purchase agreement with an unrelated company to sell its entire 93% equity stake in Proficiency Healthcare Diagnostic LLC (PHD), which was completed on 6 December 2017.

Pursuant to the completion of the transaction, AAH has indemnified certain amounts to the buyer of PHD, which could vary up to 50% and 75% of the proceeds, under certain events for a limited period. This indemnity is backed by a comfort letter issued by the Company in the event that the net asset value of AAH falls below the indemnity threshold. At the end of the reporting period, management believe the occurrence of such certain events to be remote.

(iii) Initial recognition of options and warrants related to Petronash

Further to the acquisition of Petronash, the Group also acquired additional rights in the form of options and warrants (the Options) on zero-cost basis, pursuant to which the Group can increase its ownership up to 50% and are classified as financial assets measured at FVTPL. Since the day 1 fair value was derived using unobservable inputs, the fair value at initial recognition was deferred as Unearned Income and is recycled into profit and loss account over the life of the Options. On subsequent re-measurement, the change in fair value is recognised into profit and loss account.

(iv) Determining the lease term of contracts with renewal options

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

Notes to the consolidated financial statements (continued)

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Critical accounting judgements

(v) Discount rate used for initial measurement of lease liabilities

The Group, as a lessee, measures the lease liabilities at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company on initial recognition of the lease uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company 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 assets in similar economic environment. The Company determined its incremental borrowing rate at 5.00% - 7.02% in respect of the lease liabilities (note 19).

5 Composition of the Group

5.1 Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

Subsidiary	Country of incorporation	Principal activity	Group's shareholding 2021	2020
Private Investments				
Waha AC Cooperatief U.A. [1]	Netherlands	Investment in AerCap	**100%**	100%
Al Waha Land LLC	UAE	Industrial Real Estate	**100%**	100%
Anglo Arabian Healthcare Investments LLC	UAE	Healthcare	**97.1%**	97.1%
Waha VAS Limited [2]	Cayman Islands	Investment in Channel VAS	**100%**	100%
Waha Energy Limited [3]	Cayman Islands	Energy	**100%**	100%
Asset Management				
Waha Investment PrJSC	UAE	Investment manager	**100%**	100%
Waha Investment Management Company SPC[4]	Cayman Islands	Financial investments	**100%**	100%

[1] Holding Company that previously held an investment in AerCap.

[2] Holding Company carrying an investment in Channel VAS (note 11).

[3] Holding Company carrying special purpose vehicles for investments in SDX Energy Inc., NESR Corp and Petronash Global Limited (note 11 and 12).

[4] Waha Investment Management Company SPC owns 0% of Waha MENA Value Fund SP (2020: 100.0%), 65.9% of Waha MENA Equity Fund SP (2020: 67.7%), 62.6% of Waha CEEMEA Credit Fund SP (2020: 63.5%), 84.9% of Waha Islamic Income Fund SP (2020: 100.0%) and 100% of Waha EM Equity Fund SP (2020: 0%).

Notes to the consolidated financial statements (continued)

5 Composition of the Group (continued)

5.2 Details of subsidiaries with material non-controlling interests

5.2a Waha Investment Management Company SPC

Summarised financial information in respect of Waha Investment Management Company SPC is set out below and this represents amounts before intragroup eliminations.

Statement of financial position	2021 AED '000	2020 AED '000
Total assets	7,049,866	6,432,360
Total liabilities	(2,634,015)	(2,909,107)
Non-controlling interests[1]	(1,506,275)	(1,132,932)
Equity attributable to the Owners of the Company	2,909,576	2,390,321

[1] Movement in non-controlling interests includes: a) net investment into Waha MENA Equity Fund SP of AED 68,109 thousand (2020: net redemption of AED 349,019 thousand); b) net investments into Waha CEEMEA Credit Fund SP of AED 56,237 thousand (2020: AED 15,683 thousand); c) redemptions of AED nil from Waha MENA Value Fund SP (2020: redemptions of AED 617 thousand); d) investment of AED 18,390 thousand into Waha Islamic Income Fund SP (2020: AED nil).

Movement in equity attributable to the Owners of the Company includes: a) redemption of AED 65,924 thousand from Waha MENA Equity Fund SP (2020: investments of AED 102,340 thousand) and the Group's ownership decreased from 67.7% to 65.9%; b) redemption of AED 11,034 thousand (2020: investments of AED 156,309 thousand) from Waha CEEMEA Credit Fund SP and the Group's ownership decreased from 63.5% to 62.6%; and c) redemptions of AED nil from Waha MENA Value Fund SP (2020: AED 315,021 thousand) resulting in no change in the Group's ownership of 100.0%; d) investment of AED nil into Waha Islamic Income Fund SP (2020: AED 91,950 thousand), resulting in a decrease in the Group's ownership from 100.0% to 84.9%. e) The Group invested in Waha EM Equity Fund SP, a newly established fund, an amount of AED 91,950 thousand (2020: AED nil) and the Group's ownership is 100.0%.

Statement of profit or loss	Year ended 31 December 2021 AED '000	Year ended 31 December 2020 AED '000
Income from financial investments	902,019	520,302
Expenses	(47,970)	(59,153)
Profit for the year	854,049	461,149
Profit attributable to Owners of the Company	623,442	347,191
Profit attributable to the non-controlling interests	230,607	113,958
Profit for the year	854,049	461,149
Statement of cash flows		
Net cash inflow from operating activities	548,064	283,800
Net cash inflow / (outflow) from financing activities	38,550	(238,978)
Net cash inflow	586,614	44,822

Notes to the consolidated financial statements (continued)

5 Composition of the Group (continued)

5.2 Details of subsidiaries with material non-controlling interests (continued)

5.2b Anglo Arabian Healthcare Investments LLC

Anglo Arabian Healthcare Investments LLC ("AAH") is a holding company for the Group's 70% ownership interest in Sharjah Corniche Hospital LLC ("SCG") and Health Bay Polyclinic (2020: 70%), 60% in Ibn Sina Medical Centre LLC (2020: 60%), 100% in AAH Services FZ LLC (2020: 100%), 74% in Amina Hospital LLC (2020: 74%) and 100% in IVF Investment LLC (2020: 100%).

Summarised financial information in respect of AAH is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Statement of financial position	2021 AED '000	2020 AED '000
Non-current assets	**211,296**	232,449
Current assets	**111,724**	121,559
Total liabilities	**(223,298)**	(225,701)
Non-controlling interests[1]	**33,300**	21,800
Equity attributable to the Owners of the Company	**133,022**	150,107

[1]Movement in non-controlling interests include contributions of non-controlling interest holders' share of investment amounting to AED nil (2020: AED 22 thousand).

Statement of profit or loss	Year ended 31 December 2021 AED '000	Year ended 31 December 2020 AED '000
Revenue	**303,556**	301,589
Expenses, net	**(331,180)**	(310,110)
Loss for the year	**(27,624)**	(8,521)
Loss attributable to Owners of the Company	**(15,817)**	(4,814)
Loss attributable to the non-controlling interests	**(11,807)**	(3,707)
Loss for the year	**(27,624)**	(8,521)
Statement of cash flows		
Net cash inflow from operating activities	**1,972**	11,790
Net cash inflow from investing activities	**10,311**	17,741
Net cash outflow from financing activities	**(14,517)**	(30,509)
Net cash outflow	**(2,234)**	(978)

Notes to the consolidated financial statements (continued)

5 Composition of the Group (continued)

5.3 Disposal of a subsidiary

On 6 October 2020, the Group through its UAE healthcare subsidiary, Anglo Arabian Healthcare Investment (AAH), has entered into a sale and purchase agreement of shares in the capital of Oras Medical Center LLC and certain related transactions to sell its entire 60% equity stake in Oras Medical Center LLC, which was completed on 24 November 2020.

Analysis of assets and liabilities over which control was lost	25 November 2020 AED '000
Current assets	
Cash and cash equivalents	3,494
Trade and other receivables	3,706
Inventories	45
Non-current assets	
Goodwill	6,255
Furniture and equipment	160
Current liabilities	
Trade and other liabilities	(266)
Non-current liability	
End of service benefit provision	(70)
Net assets disposed	**13,324**

Net profit from disposed subsidiary	
Revenue	4,218
Direct Costs	(1,220)
General and administration expenses	(482)
	2,516

Gain on disposal of a subsidiary	
Consideration received	12,697
Net assets disposed	(13,324)
Non-controlling interests	2,818
	2,191

Net cash outflow on disposal of a subsidiary	
Consideration received in cash and cash equivalents	3,014
Less: cash and cash equivalent balances disposed	(3,494)
	(480)

Notes to the consolidated financial statements (continued)

6 Operating segments

During the year, the Group realigned its operating segments following developments in key responsibilities of management and internal reporting. Following the realignment, we have reclassified the industrial real estate industry from Private Investments to a new segment called "Waha Land". Furthermore, we have renamed our Capital Markets segment to Public Markets to be in line with the Group's external publications. Comparative periods were reclassified accordingly.

Private Investments

The Private Investments segment holds all of the Group's proprietary investments in diversified industries including financial services, infrastructure, oil and gas, fintech and healthcare.

Public Markets

The Public Markets segment represents a platform to provide investors access to opportunities in equities and other asset management services.

Waha Land

Waha Land segment represents the Group's interest in industrial real estate.

Corporate

The corporate segment comprises the Group's activities, which are not allocated to reportable segments.

Information related to the operating segments is mentioned below as at and for the year ended 31 December:

AED '000 2021	**Private Investments**	**Waha Land**	**Public Markets**	**Corporate**	**Consolidated**
Revenue from sale of goods and services	**301,940**	**-**	**-**	**-**	**301,940**
Cost of sale of goods and services	**(246,733)**	**-**	**-**	**-**	**(246,733)**
Share of loss from equity-accounted associates and joint ventures, *net*	**(11,488)**	**-**	**-**	**-**	**(11,488)**
Impairment of equity-accounted associates and joint ventures, net	**(77,970)**	**-**	**-**	**-**	**(77,970)**
Gain on disposal of equity-accounted associates and joint ventures	**50,511**	**-**	**-**	**-**	**50,511**
Income from financial investments	**(27,210)**	**-**	**901,639**	**-**	**874,429**
Other income, *net*	**5,677**	**1,840**	**379**	**140**	**8,036**
Income from investment property, net	**-**	**47,903**	**-**	**-**	**47,903**
General and administrative expenses – parent	**(6,736)**	**-**	**(20,834)**	**(114,622)**	**(142,192)**
General and administrative expenses – subsidiaries	**(79,335)**	**(11,426)**	**(6,584)**	**-**	**(97,345)**
Finance cost, *net*	**(6,852)**	**(3,171)**	**(41,233)**	**(46,180)**	**(97,436)**
Profit / (loss) for the year	**(98,196)**	**35,146**	**833,367**	**(160,662)**	**609,655**
Other comprehensive loss	**(285)**	**-**	**-**	**-**	**(285)**

Notes to the consolidated financial statements (continued)

6 Operating segments (continued)

AED '000 2020	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Revenue from sale of goods and services	301,589	-	-	-	301,589
Cost of sale of goods and services	(237,086)	-	-	-	(237,086)
Share of loss from equity-accounted associates and joint ventures, *net*	(24,356)	-	-	-	(24,356)
Impairment of equity-accounted associates and joint ventures, net	(9,915)	-	-	-	(9,915)
Gain on settlement of loan investments	11,244	-	-	-	11,244
Income from financial investments	88,794	-	516,230	-	605,024
Other (expense) / income, *net*	(30,902)	2,094	321	86	(28,401)
Income from investment property, net	-	39,578	-	-	39,578
General and administrative expenses – parent	(6,813)	-	(22,080)	(90,012)	(118,905)
General and administrative expenses – subsidiaries	(73,895)	(12,625)	(6,681)	-	(93,201)
Finance cost, *net*	(7,038)	(5,504)	(52,413)	(40,719)	(105,674)
Profit / (loss) for the year	11,622	23,543	435,377	(130,645)	339,897
Other comprehensive loss	(4,298)	-	-	-	(4,298)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the year (2020: AED nil). All revenues are generated from sales of goods and services within the UAE. Included in revenue from sales of goods and services are revenues of approximately AED 32,426 thousand (2020: AED 35,196 thousand) which arose from the Group's largest customer. One customer contributed 10% or more to the Group's revenue for 2021 while no customer contributed 10% or more to the Group's revenue for 2020.

During the year, the Group recognised an impairment loss of AED 77,970 thousand (2020: AED 9,915 thousand) on investments in equity accounted investees, and a fair value loss of AED nil (2020: AED nil) on investment properties in the Waha Land segment.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration cost amounting to AED160,662 thousand (2020: AED 130,645 thousand). This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Notes to the consolidated financial statements (continued)

6 Operating segments (continued)

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AED '000 **2021**	**Private Investments**	**Waha Land**	**Public Markets**	**Corporate**	**Consolidated**
Investment in equity-accounted associates and joint ventures	**170,242**	**-**	**-**	**-**	**170,242**
Other assets	**793,242**	**800,978**	**7,187,151**	**637,953**	**9,419,324**
Segment assets	**963,484**	**800,978**	**7,187,151**	**637,953**	**9,589,566**
Segment liabilities	**238,661**	**126,114**	**2,743,559**	**1,689,842**	**4,798,176**
Capital expenditures	**6,594**	**1,697**	**-**	**850**	**9,141**
Depreciation and amortisation and impairment of intangibles assets	**28,138**	**39**	**20**	**3,597**	**31,794**
2020					
Investment in equity-accounted associates and joint ventures	472,076	-	-	-	472,076
Other assets	826,906	805,836	6,403,176	373,819	8,409,737
Segment assets	1,298,982	805,836	6,403,176	373,819	8,881,813
Segment liabilities	280,857	163,863	2,948,042	1,339,456	4,732,218
Capital expenditures	6,988	7,542	21	598	15,149
Depreciation and amortisation and impairment of intangibles assets	28,956	138	25	3,611	32,730

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than corporate assets of AED 637,953 thousand (2020: AED 373,819 thousand)
- All liabilities are allocated to operating segments other than corporate liabilities of AED 1,689,842 thousand (2020: AED 1,339,456 thousand)

Notes to the consolidated financial statements (continued)

7 Property and equipment, net

	Leasehold improvements AED '000	IT equipment, furniture and fittings AED '000	Medical and other equipment AED '000	Motor vehicles AED '000	Capital work in progress AED '000	Total AED '000
Useful economic lives (years)	**3 - 5**	**3 - 5**	**5 - 7**	**3**		
Cost						
At 1 January 2020	45,797	37,011	84,230	3,224	43	170,305
Additions	215	2,028	5,016	210	53	7,522
Disposals	-	(5)	(220)	(600)	-	(825)
Eliminated upon disposal of subsidiary	(149)	(44)	(806)	-	-	(999)
At 31 December 2020	45,863	38,990	88,220	2,834	96	176,003
Transfers	-	51	-	-	(51)	-
Additions	-	1,500	5,071	199	336	7,106
Disposals	-	-	(1,138)	(700)	-	(1,838)
At 31 December 2021	45,863	40,541	92,153	2,333	381	181,271
Accumulated depreciation and impairment						
At 1 January 2020	27,058	28,567	54,033	3,074	-	112,732
Charge for the year[1]	4,212	3,404	10,616	130	-	18,362
Disposals	-	(5)	(15)	(600)	-	(620)
Eliminated upon disposal of subsidiary	(141)	(44)	(654)	-	-	(839)
Balance at 31 December 2020	31,129	31,922	63,980	2,604	-	129,635
Charge for the year[1]	3,762	2,464	10,375	125	-	16,726
Disposals	-	-	(782)	(700)	-	(1,482)
Balance at 31 December 2021	34,891	34,386	73,573	2,029	-	144,879
Net carrying amount						
At 31 December 2021	**10,972**	**6,155**	**18,580**	**304**	**381**	**36,392**
As at 31 December 2020	14,734	7,068	24,240	230	96	46,368

[1] Depreciation expense of AED 13,136 thousand is included in "Cost of sales of goods and services" (2020: AED 13,738 thousand) and AED 3,590 thousand is included in "General and Administrative expenses" (2020: AED 4,624 thousand).

Notes to the consolidated financial statements (continued)

8 Investment property

	2021 AED '000	2020 AED '000
At 1 January	**715,989**	717,140
Additions	**1,697**	7,542
Disposal	**(6,264)**	(8,693)
At 31 December	**711,422**	715,989

Investment property comprise of land and buildings that are constructed for commercial and industrial use.

The Group has recognised a portion of the land granted in the consolidated financial statements by applying the accounting policy with respect to government grants (refer to note 3(o)) and investment properties (refer to note 3(d)). The land grant related to the portion of land for which the Group has no development plans, remains unrecognised on the consolidated statement of financial position as at reporting date.

The investment property is categorised into level 3 of the fair value hierarchy based on the inputs to the valuation technique accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 31 December 2021, was performed by management with reference to an accredited independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use. Valuation methodologies considered include:

- The Income Capitalisation Approach, where income receivable under comparable leases, existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation date.
- The Comparable method, which identify identical or similar assets (properties) that have been sold, analysing the sales prices achieved and the relevant market data and establishing value by comparison with those properties that have been sold
- The Residual Value Method, which requires the use of estimates such as sale price, construction costs, professional fees, financing cost and targeted internal rate of return. These estimates are based on local market conditions existing at the end of the reporting period.

The Income Capitalisation Approach was used to derive the fair value of buildings where the discount rate used ranged from 10% – 12%. The Comparable method and Residual Value Method were used to derive the fair value of land plots where the sales price ranged from AED 22 to AED 65 per sq ft.

Based on the revaluation, there was no fair value change recognised in the current year (2020: AED nil).

Income from investment property, net

	2021 AED '000	2020 AED '000
Rental income	**48,999**	39,880
Operating costs	**(2,662)**	(2,909)
Gain on disposal	**1,566**	2,607
	47,903	39,578

During the year, the Group entered into a Musataha agreement for sale of a serviced land. Total consideration for the transaction is AED 9,000 thousand which is payable in five instalments until May 2025.

Notes to the consolidated financial statements (continued)

8 Investment property (continued)

During 2020, the Group entered into a Musataha Agreement for sale of a serviced land. Total consideration for the transaction is AED 13,000 thousand which is payable in five instalments until September 2023.

Gain of AED 1,566 thousand (2020: 2,607 thousand) is recognised in respect of such transactions. As at 31 December 2021, the gross receivables from such transaction amounted to AED 12,520 thousand (2020: AED 9,449 thousand) and provision for expected credit loss amounted to AED nil (2020: AED 763 thousand).

Notes to the consolidated financial statements (continued)

9 Goodwill and intangible assets

	Goodwill[1] AED '000	Trademarks AED '000	Contract AED '000	Software AED '000	Total AED '000
Useful economic lives (years)	**-**	**5 - 10**	**5**	**3 - 5**	
Cost					
At 1 January 2020	84,185	28,344	25,589	9,309	147,427
Adjustment	-	-	-	38	38
Additions	-	-	-	55	55
Eliminated upon disposal	(6,255)	-	(25,589)	-	(31,844)
At 31 December 2020	77,930	28,344	-	9,402	115,676
Additions	-	-	-	284	284
At 31 December 2021	**77,930**	**28,344**	**-**	**9,686**	**115,960**
Accumulated amortisation and impairment					
At 1 January 2020	-	28,344	25,589	7,799	61,732
Amortisation	-	-	-	453	453
Eliminated upon disposal	-	-	(25,589)	-	(25,589)
Balance at 31 December 2020	-	28,344	-	8,252	36,596
Amortisation	-	-	-	381	381
At 31 December 2021	**-**	**28,344**	**-**	**8,633**	**36,977**
Net carrying amount					
At 31 December 2021	**77,930**	**-**	**-**	**1,053**	**78,983**
At 31 December 2020	77,930	-	-	1,150	79,080

[1] Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Affordable care
- Premium care

Notes to the consolidated financial statements (continued)

9 Goodwill and intangible assets (continued)

The carrying amount of goodwill was allocated to cash-generating units as follows:

	2021 AED '000	2020 AED '000
Affordable care	**41,423**	41,423
Premium care	**36,507**	36,507
	77,930	77,930

The recoverable amounts of Affordable care and Premium care cash-generating units were determined based on level 3 fair value calculation which uses cash flow projections based on a business plan approved by the directors covering a 5 year period, and a discount rate of 11% to 14% per annum (2020: 11% to 14% per annum) for Affordable care and 11% to 12% per annum (2020: 11% to 12% per annum) for Premium care. Cash flow projections during the period are based on the gross margins and direct costs price inflation throughout the projection period which are in line with the respective industries in which Affordable care and Premium care operates. The cash flows beyond that five-year period have been extrapolated using a 3% (2020: 3%) per annum growth rate which is the projected long term average growth rate for the market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based, would not cause the aggregate carrying amount to exceed the recoverable amounts of the cash generating units.

Notes to the consolidated financial statements (continued)

10 Loan investments

	2021 AED '000	2020 AED '000
Loan to equity accounted investees	-	45,003

During 2020, the Group provided an interest bearing loan amounting to AED 45,975 thousand at an interest rate of nine-month Libor plus 6.5% to an equity accounted investment. The equity accounted investees are based in the Middle East region. As at 31 December 2021, the loan has a gross balance of AED nil (31 December 2020: AED 45,975 thousand) and expected credit loss of AED nil (31 December 2020: AED 972 thousand). As of 31 December 2020, the loan was a stage 1 asset (refer note 25). During the year, this loan was repaid.

11 Investments in associates and joint ventures

Carrying amount	2021 AED '000	2020 AED '000
Equity-accounted associates	-	187,185
Equity-accounted joint ventures	170,242	284,891
Total equity-accounted associates and joint-ventures	**170,242**	472,076
Associate carried at FVTPL (note 12)	**17,388**	36,099

11.1 Details of material associates

Details of each of the Group's material associates at the end of the reporting period are as follows:

Associate	Principal activity	Country of incorporation	Beneficial shareholding 2021	Beneficial shareholding 2020
SDX Energy Inc. ("SDX")	Oil and gas services	Canada	**18.65%**	19.50%
NESR Corp	Oil and gas services	United States	-	6.29%

Notes to the consolidated financial statements (continued)

11 Investments in associates and joint ventures (continued)

11.1 Details of material associates (continued)

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	SDX Energy Inc.		NESR Corp	
	2021 AED '000	2020 AED '000	**2021 AED '000**	2020 AED '000
Statement of financial position				
Current assets	**132,676**	136,373	**1,962,206**	1,894,968
Non-current assets	**267,144**	321,917	**4,534,555**	4,310,016
Current liabilities	**59,348**	77,786	**1,356,958**	1,321,748
Non-current liabilities	**29,865**	26,158	**1,502,886**	1,409,667
Non-controlling interests	**-**	-	**(29)**	(29)
Statement of profit or loss				
Revenue	**147,028**	169,438	**2,447,139**	3,067,989
(Loss) / profit for the year	**(44,673)**	(7,569)	**78,062**	184,220
Other comprehensive income / (loss) for the year	**-**	-	**121**	129
Total comprehensive (loss) / income for the year	**(44,673)**	(7,569)	**78,183**	184,349
Group's share of contingencies	**-**	-	**-**	3,935
Group's share of commitments	**8,163**	5,881	**-**	3,748

The 2021 amounts disclosed above pertain to the nine-month period ended and as of 30 September 2021. The 2020 amounts disclosed pertain to the twelve-month period ended and as of 31 December 2020.

Notes to the consolidated financial statements (continued)

11 Investments in associates and joint ventures (continued)

11.2 Details of material joint ventures

Details of each of the Group's material joint ventures at the end of the reporting period are as follows:

Joint venture	Principal activity	Country of incorporation	Group's shareholding 2021	2020
Channel VAS Investments Limited [1]	Fintech	UAE	**19.70%**	19.70%
Petronash Global Limited [2]	Oil and gas services	Cayman Islands	**32.09%**	32.09%
Deem Finance	Banking	UAE	**-**	26.00%

[1] On 26 September 2017, the Group's Private Investments segment acquired a 20% equity stake in Dubai-based Channel VAS Investments Limited (Channel VAS), for a total consideration of AED 200.5 million. Channel VAS is a business in the fintech sector, operating in over 25 emerging markets in the Middle East, Africa, Asia and Europe.

[2] On 6 August 2018, the Group, along with co-investors, entered into a subscription agreement to acquire 35% stake in Dubai-based Petronash Global Limited (Petronash), a global oilfield services and manufacturing company, for an upfront consideration of AED 322,762 thousand and a deferred contingent consideration of AED 134,863 thousand. The transaction closed on 10 October 2018 which includes options, pursuant to which the Group can increase its ownership up to 50% in Petronash. During 2018, these options are reported separately as financial investments and do not form a part of the carrying value of the investments in associates and joint ventures. As at 31 December 2021, these options were valued at AED nil (2020: AED nil) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management (note 12).

The Group exercises joint control in Petronash through its shareholding agreement and representations on its board and various committees.

Notes to the consolidated financial statements (continued)

11 Investments in associates and joint ventures (continued)

11.2 Details of material joint ventures (continued)

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes).

	Channel VAS		Petronash	
	2021 AED '000	2020 AED '000	**2021 AED '000**	2020 AED '000
Statement of financial position				
Current assets				
- cash and cash equivalents	**34,031**	41,290	**24,939**	29,051
- others	**125,194**	73,635	**288,554**	712,363
Non-current assets	**95,702**	88,549	**664,886**	707,355
Current liabilities				
- trade and other payables	**47,787**	43,073	**58,451**	107,331
- others	**25,805**	19,417	**194,425**	482,705
Non-current liabilities	**30,949**	33,835	**421,070**	429,172
Non-controlling interests	**5,874**	5,595	**-**	-
Statement of profit or loss				
Revenue	**370,595**	281,423	**232,809**	643,629
Expenses	**162,691**	118,619	**263,057**	468,722
Interest income	**-**	-	**12**	152
Interest expense	**5,841**	3,378	**42,316**	41,975
Depreciation and amortisation	**20,289**	16,561	**51,206**	59,285
Profit / (loss) before tax	**175,874**	142,865	**(121,278)**	75,704
Income tax expense	**40,197**	27,154	**3,566**	19,059
Profit / (loss) for the year	**135,677**	115,711	**(124,843)**	56,645
Statement of cash flows				
Dividends received during the year	**18,115**	13,768	**-**	-
Group's share of contingencies	**16,809**	13,223	**15,977**	14,732
Group's share of commitments	**-**	331	**2,891**	6,923

Notes to the consolidated financial statements (continued)

11 Investments in associates and joint ventures (continued)

11.2 Details of material joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Group's material joint ventures recognised in the consolidated financial statements:

	Channel VAS		Petronash	
	2021 AED '000	2020 AED '000	**2021 AED '000**	2020 AED '000
Net assets of the joint venture	**144,512**	101,911	**304,431**	878,998
Proportion of the Group's ownership interest	**19.70%**	19.70%	**32.09%**	32.09%
Group's share of net assets of the joint venture	**28,469**	20,076	**97,692**	282,070
Goodwill	**80,434**	80,434	**-**	-
Intangible assets	**47,642**	61,673	**-**	-
Impairment	**-**	-	**(259,295)**	(181,325)
Other adjustments	**1,514**	1,586	**-**	7,591
Carrying amount of joint venture	**158,059**	163,769	**-**	108,336

During the year, the Group recognised net share of loss of AED 114 thousand from joint ventures that are not individually material (2020: share of profit of AED 622 thousand), the total carrying value of such investments amounting to AED 12,183 thousand (2020: AED 12,786 thousand).

The movement of investment in equity-accounted associates and joint ventures is presented below:

	2021 AED '000	2020 AED '000
As at 1 January	**472,076**	524,552
Disposals	**(84,330)**	-
Share of loss, net	**(11,488)**	(24,356)
Impairment loss, net	**(77,970)**	(9,915)
Share of equity reserves	**(285)**	(4,298)
Distributions received	**(18,603)**	(13,907)
Reclassification of investment to FVPTL	**(109,158)**	-
	170,242	472,076

Investment in equity-accounted associates and joint ventures domiciled outside UAE amount to AED nil (31 December 2020: AED 187,185 thousand).

The fair value of publicly listed equity-accounted associates and joint ventures based on quoted market price is AED nil (2020: AED 201,631 thousand), carried at AED nil (2020: AED 187,185 thousand).

On 1 July 2021, the Group's appointed director on the Board of NESR Corp. resigned which ceased the Group's significant influence over the investee. Hence, the investee will no longer be classified as an equity-accounted associate. Accordingly, the management has reclassified its remaining investment in NESR from equity-accounted associate to FVTPL financial asset, in accordance with IFRS 9 Financial Instruments (refer note 12).

During the year, the Group signed a Sales Purchase agreement with other shareholders to complete the transfer of the Company to a new shareholder in the third quarter of 2021 and concluded the sale of its 26% stake in Deem Finance.

Notes to the consolidated financial statements (continued)

12 Financial investments

	2021 AED '000	2020 AED '000
Financial assets at fair value through profit or loss		
Unquoted fund	**134,897**	34,162
Derivative assets[1]	**88,960**	68,282
Reverse repurchase contracts, net[2]	**112,780**	49,484
Listed fixed income securities[3]	**4,102,793**	4,422,913
Listed equity securities[4]	**1,788,086**	1,366,559
Convertible preference shares [5]	**185,545**	220,680
Other investments	**963**	963
	6,414,024	6,163,043

Financial investments held outside the UAE amount to AED 5,848,825 thousand (31 December 2020: AED 5,470,455 thousand).

[1]Derivative assets held by the Group include total return swaps, credit default swaps, currency and interest rate futures, which are measured at fair value, Level 2 (see note 28).

[2]Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 2,162,879 thousand and corresponding liabilities of AED 2,050,099 thousand (31 December 2020: reverse repurchase receivables of AED 1,781,496 thousand and corresponding liabilities of AED 1,732,012 thousand). The repurchase agreements are subject to a master netting agreement.

[3]Listed fixed income securities aggregating to AED 2,972,924 thousand (31 December 2020: AED 3,694,441 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

[4]Included in the listed equity securities is a 18.65% associate investment in SDX Energy Inc. carried at AED 17,388 thousand (31 December 2020: 19.50% stake carried at AED 36,099 thousand), as part of the Group's venture capital activities and measured at FVTPL.

During the year, the Group has reclassified its remaining investment in NESR from equity accounted associate to FVTPL financial asset (refer note 11).

[5]On 20 August 2020, the Group entered into a subscription agreement with Despegar.com, a NYSE-listed online travel company in Latin America to acquire 50,000 Series B Preferred Shares, without par value for an aggregate purchase price of $50 million. The terms of the transaction include an option to the holder to convert each Series B Preferred Shares into 108.1081 common shares of Despegar.com. Series B Preferred Shares carry an annual dividend of 4% which is payable on a quarterly basis. The issuer also has an option to enforce conversion at any time from the third to seventh anniversary of the deal closing date, if for at least 10 consecutive trading days volume weighted average price of the common shares exceeds $13.88 between third and fifth anniversary and $12.49 between fifth and seventh anniversary. In addition, the issuer has right to redeem at any time on or after the seventh anniversary in cash. The Group paid net cash consideration of AED 180,222 thousand for the transaction which was closed on 21 September 2020. As of reporting date, the fair value of the instrument is estimated at AED 185,545 thousand (31 December 2020: 220,680 thousand).

During 2018, in addition to the acquisition of Petronash, the Group also acquired additional rights in the form of options and warrants (the Options), pursuant to which the Group can increase its ownership up to 50% effective from 10 October 2018. Upon initial recognition, the fair value of the Options was deferred as unearned income and is recycled into profit and loss account over the life of the Options. As at 31 December 2021, these options were valued at AED nil (2020: AED nil) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management.

Notes to the consolidated financial statements (continued)

12 Financial investments (continued)

Maturity profiles of derivative assets are as follows:

	2021 Notional '000	2021 Fair value AED '000	2020 Notional '000	2020 Fair value AED '000
Due within 1 year	**960,821**	**27,150**	631,798	40,724
Due between 1 to 3 years	**8,728,109**	**20,577**	107,080	1,885
More than 3 years	**6,025,145**	**41,233**	8,558,706	25,673
	15,714,075	**88,960**	9,297,584	68,282

13 Trade and other receivables

	2021 AED '000	2020 AED '000
Trade receivables	**174,767**	184,364
Allowance for expected credit losses on trade receivables	**(73,461)**	(55,174)
	101,306	129,190
Prepayments and advances	**7,852**	8,304
Accrued interest	**49,216**	56,085
Amounts set aside for prior year dividends	**37,805**	37,931
Deposits under lien	**1,034**	1,028
Margin accounts	**414,450**	268,960
Other receivables	**31,226**	29,012
Allowance for expected credit losses on other receivables	**(989)**	(3,714)
	641,900	526,796

The maximum exposure to credit risk for trade receivables as at 31 December by geographic region is:

	2021 AED '000	2020 AED '000
Middle East	**174,077**	183,749
Europe	**690**	615
	174,767	184,364

The ageing of trade receivables as at 31 December is:

	2021			2020		
	Trade receivables AED'000	Expected credit losses AED'000	Expected credit loss rate	Trade Receivables AED'000	Expected credit losses AED'000	Expected credit loss rate
Not past due	**53,708**	**1,667**	**0 - 25%**	71,374	1,549	0 - 25%
Past due:						
Within 90 days	**22,216**	**2,732**	**5 - 35%**	21,009	2,300	5 - 35%
91 days - 180 days	**13,154**	**3,250**	**20 - 50%**	17,942	3,826	20 - 50%
181 days - 365 days	**13,879**	**5,573**	**30 - 75%**	29,250	11,614	30 - 75%
> 365 days	**71,810**	**60,239**	**55 - 100%**	44,789	35,885	55 - 100%
	174,767	**73,461**		184,364	55,174	

Notes to the consolidated financial statements (continued)

13 Trade and other receivables (continued)

Movement in allowance for expected credit losses on trade receivables:

	2021 AED '000	2020 AED '000
Balance at the beginning of the year	**55,174**	44,231
Expected credit losses recognised during the year	**18,712**	10,949
Eliminated on disposal of subsidiary	**-**	(6)
Other adjustments	**(425)**	-
Balance at the end of the year	**73,461**	55,174

Movement in allowance for expected credit losses on other receivables:

	2021 AED '000	2020 AED '000
Balance at the beginning of the year	**3,714**	4,266
Expected credit losses recognised during the year	**-**	1,164
Reversals	**(2,725)**	(1,716)
Balance at the end of the year	**989**	3,714

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Deposits under lien represent cash collateral for letters of guarantee issued by commercial banks in favour of the Central Bank of the UAE on behalf of the Group. The interest rate on deposits under lien is 0.55% (2020: 0.55%) per annum. All deposits under lien are placed with UAE banks.

14 Cash and bank balances

	2021 AED '000	2020 AED '000
Deposits held with banks	**110,340**	276,021
Cash at banks	**1,310,765**	428,481
Cash in hand	**354**	294
	1,421,459	704,796
Less: Allowance for expected credit losses	**(109)**	(112)
Cash and cash equivalents	**1,421,350**	704,684

The interest rate on short term deposits ranged between 0.20% - 1.30% (2020: 0.20% - 1.80%) per annum. All short term deposits are placed with UAE banks.

Notes to the consolidated financial statements (continued)

15 Share capital and dividend

	2021 AED '000	2020 AED '000
Authorised and fully paid up capital:		
1,944,514,687 shares (2020: 1,944,514,687 shares) of AED 1 each	**1,944,515**	1,944,515

On 24 March 2021, the Company held its Annual General Meeting which, among other things, approved a cash dividend of AED 110,311 thousand representing 6 fils per share (22 March 2020: approved a cash dividend of nil).

A cash dividend of 7.55 fils per share and stock dividend of 2.45 fils per share is proposed for 2021 by the Board of Directors of the Company subject to the approval of the shareholders in the forthcoming Annual General Meeting.

On 17 September 2014, the Company's Board of Directors approved the implementation of a share buy-back programme for up to 10% of the outstanding shares of the Company. The Securities & Commodities Authority (SCA) approved the programme on 20 October 2014, which ended on 18 October 2016 and was subsequently approved for extension until 18 October 2019. This was further extended by 3 years until 18 October 2022. As of 31 December 2021, the Company had bought 106,005,973 shares at AED 267,184 thousand.

The basic and diluted earnings per share for the year ended 31 December 2021 and 2020 has been calculated using the weighted average number of shares outstanding during the year after considering the effect of treasury shares.

	2021	2020
Profit for the year attributable to Owners of the Company (AED '000)	**390,753**	230,969
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,838,508,714**	1,838,508,714
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	**0.213**	0.126

Notes to the consolidated financial statements (continued)

16 Borrowings

	31 December 2021 AED '000					31 December 2020 AED '000				
	Effective Interest Rate	**< 1 year**	**1 – 3 years**	**> 3 years**	**Total**	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total
Secured term loans [1]	LIBOR+3% and 3m EIBOR +2.5%	**1,549,659**	**51,624**	**32,266**	**1,633,549**	LIBOR+3% and 3m EIBOR +2.5%	1,243,928	67,733	42,334	1,353,995
Borrowings through repurchase agreements [2]	0.04% to +1.45%	**2,482,765**	**-**	**-**	**2,482,765**	0.05%- 3.3%	2,853,983	-	-	2,853,983
Unsecured loans	1m and 3m EIBOR +3.25%	**884**	**-**	**-**	**884**	1m and 3m EIBOR +3.25%	3,864	-	-	3,864
		4,033,308	**51,624**	**32,266**	**4,117,198**		4,101,775	67,733	42,334	4,211,842

[1] On 15 August 2021, the Group completed the refinancing of its existing $400 million secured revolving loan facility, replacing it with a 3 year $500 million secured revolving loan facility. The facility is initially secured by a pledge over the Group's shareholding in Waha Land LLC and certain investments. As at 31 December 2021, an amount of AED 1,541,082 thousand was drawn-down (2020: AED 1,210,062 thousand).

During 2016, the Group secured AED 426 million in a Murabaha-Ijara based financing for further development of its light industrial real estate project. During 2018, it was amended to reduce the facility from AED 426 million to AED 378 million.

[2] Repurchase liabilities represent the Group's borrowings against its investment in listed fixed income securities under repurchase contracts.

The investments and assets pledged to lenders as security against various facilities are the Group's shareholding in Al Waha Land LLC (refer to note 5.1) and certain investments (refer to note 12).

Notes to the consolidated financial statements (continued)

16 Borrowings (continued)

Reconciliation of borrowings movement to cash flows arising from financing activities is as follows:

	2021 AED '000	2020 AED '000
At 1 January	**4,211,842**	4,443,657
Loans drawn-down	**647,575**	893,649
Loan arrangement and prepaid interest costs, net of amortisations	**(16,921)**	314
Loans repaid	**(725,298)**	(1,125,778)
	4,117,198	4,211,842

During the year, an amount of AED 331,020 thousand was net repayment of the Group's existing secured revolving loan facility, and AED 34,545 thousand was repayment of the secured Murabaha-Ijara based financing for further development of its light industrial real estate project.

During the year, the Group's repurchase liabilities against its investment in fixed income securities decreased by AED 371,218 thousand.

17 Derivative liabilities

	2021 AED '000	2020 AED '000
Financial liabilities at FVTPL		
Other derivative liabilities	**100,626**	29,907
	100,626	29,907

Maturity profiles of derivative liabilities are as follows:

	2021 Notional '000	2021 Fair value AED '000	2020 Notional '000	2020 Fair value AED '000
Due within 1 year	**86,769**	**33,271**	346,187	9,900
Due between 1 to 3 years	**19,080**	**4,505**	11,457,796	2,430
More than 3 years	**579,146**	**62,850**	2,453,277	17,577
	684,995	**100,626**	14,257,260	29,907

Notes to the consolidated financial statements (continued)

18 Trade and other liabilities

	2021 AED '000	2020 AED '000
Trade payables	**161,850**	**73,807**
Interest accrued on borrowings	**34,114**	**23,811**
Dividends payable	**37,808**	**37,935**
Long term employee incentive plans accrual (note 27)	**74,142**	**42,512**
Deferred income	**11,746**	**14,975**
Other payables and accruals	**114,486**	**144,988**
	434,146	**338,028**

Trade and other liabilities are stated at amortised cost. The average credit period for the trade payables is 60 days. The Group has financial risk management policies in place to ensure that all the payables are paid within the agreed credit period. The contractual maturities for trade payables are within one year.

19 Leases

The Group as lessee

The Group has entered into operating lease arrangements for office and medical facility space.

The movement in the Group's right-of-use assets and lease liabilities during the year is as follows:

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2020	129,140	136,510
Depreciation expense	(13,915)	-
Interest expense	-	8,508
Payments	-	(16,960)
Reassessment of lease terms[1]	(1,675)	(1,675)
As at 31 December 2020	**113,550**	**126,383**
Depreciation expense	(14,687)	-
Interest expense	-	8,376
Payments	-	(15,627)
New leases	859	859
Reassessment of lease terms[1]	(73)	(73)
As at 31 December 2021	**99,649**	**119,918**

[1]During the current and prior year, the Group performed reassessment due to reduction in market rentals on account of its leases.

Notes to the consolidated financial statements (continued)

19 Leases (continued)

The Group as lessee (continued)

The following are the amounts recognised in profit or loss:

	2021 AED '000	2020 AED '000
Depreciation expense of right-of-use assets	**14,687**	13,915
Interest expense on lease liabilities	**8,376**	8,508
Expense relating to short-term leases	**4,081**	5,468
Total amount recognised in profit or loss	**27,144**	27,891

The total cash outflow for leases amounted to AED 15,627 thousand (31 December 2020: AED 16,960 thousand).

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease payments between 1 to 15 years (2020: 1 to 15 years).

Rental income earned by the Group on its investment property is set out in note 8.

The non-cancellable operating lease receivables are set out below:

	2021 AED '000	2020 AED '000
Within one year	**40,334**	46,500
Between 2 and 5 years	**42,474**	73,025
More than 5 years	**6,786**	8,646
	89,594	128,171

20 Revenue from sale of goods and services

	2021 AED '000	2020 AED '000
Revenue	**301,940**	301,589
Cost of sale	**(246,733)**	(237,086)
Gross profit	**55,207**	64,503

Revenue and cost of sales of services are mainly attributable to the healthcare operations. Performance obligations relating to goods and services are satisfied at the point in time.

All revenues are generated within UAE.

Notes to the consolidated financial statements (continued)

21 Income from financial investments

	2021 AED '000	2020 AED '000
Financial assets at fair value through profit or loss		
Net (loss) / income from unquoted fund	**(476)**	146
Net income from derivatives	**251,103**	97,308
Net income from listed fixed income securities	**163,015**	418,950
Net income from listed equity securities	**488,566**	46,128
Net (loss) / income from convertible preference shares	**(27,779)**	42,492
	874,429	605,024

22 Other income / (expense), net

	2021 AED '000	2020 AED '000
Reversal / (impairment) on loan investments	**972**	(972)
Gain on disposal of subsidiary (note 5.3)	**-**	2,191
Others	**7,064**	(29,620)
	8,036	(28,401)

23 General and administrative expenses

	2021 AED '000			2020 AED '000		
	Company	**Subsidiaries**	**Total**	Company	Subsidiaries	Total
Staff costs	**111,407**	**38,917**	**150,324**	91,600	40,665	132,265
Legal and other professional expenses	**15,707**	**14,581**	**30,288**	11,434	12,401	23,835
Depreciation	**3,366**	**3,409**	**6,775**	3,294	4,111	7,405
Amortisation and write-off intangible assets	**254**	**127**	**381**	344	108	452
Marketing expenses	**1,738**	**4,462**	**6,200**	1,443	4,600	6,043
Provision for expected credit losses	**-**	**18,659**	**18,659**	400	10,009	10,409
Others	**9,720**	**17,190**	**26,910**	10,390	21,307	31,697
	142,192	**97,345**	**239,537**	118,905	93,201	212,106

During the current year, Group made social contributions amounting to AED 58 thousand (2020: AED 50 thousand).

Notes to the consolidated financial statements (continued)

24 Finance cost, net

	2021 AED '000	2020 AED '000
Interest on borrowings	**90,274**	111,446
Interest on lease liabilities (note 19)	**8,376**	8,508
Amortisation of loan arrangement costs	**2,775**	315
Interest income from loan investments at amortised cost	**(1,760)**	(6,458)
Interest earned on time deposits	**(1,189)**	(7,388)
Unwinding of interest on disposal of investment property	**(1,040)**	(749)
	97,436	105,674

25 Related parties

Related parties include major shareholders of the Company, directors or officers of the Group, enterprises that are in a position to exercise significant influence over the Group or those enterprises over which the Group can exercise significant influence or has joint control.

The Group conducts its transactions with related parties on arm's length terms, with any exceptions to be specifically approved by the Board. In all cases, transactions with related parties are required to be conducted in compliance with all relevant laws and regulations. Where a Board member has an actual or perceived conflict of interest over an issue to be considered by the Board, the interested member may not vote on any relevant resolutions, and can also be asked by the Chairman not to participate in the relevant Board discussions. The Company has a conflict of interest policy for Board members and, for senior management, a code of conduct. The Company takes reasonable steps to maintain an awareness of the other relevant commitments of its Directors and senior management, and thus is able to monitor compliance with this policy and code.

Significant balances and transactions with related parties

Loan investments provided to associates amounted to AED nil as at 31 December 2021 (2020: AED 45,003 thousand). As at 31 December 2020, the loan was a stage 1 asset and interest bearable. As at 31 December 2021, the loan has a gross balance of AED nil (2020: AED 45,975 thousand) and expected credit loss of AED nil (2020: AED 972 thousand).

During 2020, the loan portfolio agreement that was held under the Group was terminated and the amount due of AED 220,680 thousand was settled in full.

During the year, the Company's Key Management Personnel redeemed an amount of AED nil from Waha MENA Equity Fund SP (2020: AED 3,241 thousand); the Company's Key Management Personnel redeemed an amount of AED nil from Waha MENA Value Fund SP (2020: AED 617 thousand); the Company's Directors and Key Management Personnel redeemed an amount of AED nil from Waha CEEMEA Credit Fund SP under a co-investment plan (2020: AED 16,536 thousand).

Key management personnel compensation	**2021 AED '000**	**2020 AED '000**
Short term benefits	**16,620**	10,224
End of service and other long term benefits	**690**	524
	17,310	10,748

Notes to the consolidated financial statements (continued)

26 Commitments

Capital commitments

As at 31 December 2021, the Group has capital commitments of AED 1,087 thousand (2020: AED 290 thousand) with respect to AAH.

As at 31 December 2021, the Group has outstanding capital calls of AED 44,455 thousand (2020: AED nil) pertaining to its investment in unquoted fund.

27 Employee compensation

In designing its employee compensation plans, the Group's primary objective is to provide employees with a robust compensation platform upon which they are encouraged to pursue outstanding returns and to reward them based on their results in line with the interests of the Group. This is achieved through a combination of cash salaries, variable bonuses dependent upon Group and individual's performance, and participation in various long term employee incentive and co-investment programs described below.

Investment profit participation plans

The Group's Board of Directors has approved the following cash settled long term incentive plan for certain employees linked to investment profit participation:

- A trading plan, whereby the employees are granted points linked to the fund's performance which vests annually. An amount representing the value of vested points derived from the fund's net asset value is divided into a cash payment and cash deferral. The cash deferral is reinvested into the funds for a period of three years. The reinvested amount vests over the three year period and after completing the service condition a cash payment is made.

Share linked plan

The Group's Board of Directors has approved a cash settled share linked incentive plan for the management team, under which certain employees receive restricted stock units of Waha Capital PJSC, which vest progressively, over three years from the effective grant date, subject to continued employment. A cash amount representing the value of the vested shares, based on the latest share price, is paid upon the employee successfully completing the three year service condition.

Notes to the consolidated financial statements (continued)

27 Employee compensation (continued)

Share linked plan (continued)

During 2019, management has discontinued the RSU plans, accelerating vesting of all the outstanding units in 2019. 2,349,364 units were settled during the prior year and there was no remaining units as of 31 December 2020.

The movement in accruals for the various plans is as follows:

	2021 AED '000	2020 AED '000
Opening balance	**42,512**	30,426
Expensed during the year	**52,580**	20,004
Payments during the year	**(20,950)**	(7,918)
Closing balance (note 18)	**74,142**	42,512

28 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about 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.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management has established a committee comprising of senior management, which is responsible for developing and monitoring the Group's risk management policies. 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. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by an internal audit team. The Internal audit team undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

Risk management framework (continued)

In respect of public market transactions, the Group has implemented risk management policies and guidelines, as set out in the Private Placement Memorandums of Waha MENA Equity Fund SP, Waha CEEMEA Credit Fund SP, Waha MENA Value Fund SP, Waha EM Equity Fund SP and Waha Islamic Income Fund SP (all together the "Funds"), which set out the procedures to be performed prior to making investment decisions, including employing qualitative analyses, quantitative techniques, due diligence and management meetings as well as fundamental research on evaluation of the issuer based on its financial statements and operations. In addition to analysing financial instruments, the Group determines the relative attractiveness of investing in different markets in order to determine the country weighting in each area. In assessing the investment potential in each area, the Group considers economic growth prospects, monetary decisions, political risks, currency risks, capital flow risks, and other factors.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, derivative assets, cash and cash balances and loan investments. As at the end of the reporting date, the Group's financial assets exposed to credit risk amounted to:

	2021 AED '000	2020 AED '000
Cash and bank balances[1]	**1,420,996**	704,390
Trade and other receivables[2]	**634,048**	518,492
Loan investment[3]	**-**	45,003
Financial investments at FVTPL	**6,414,024**	6,163,043
	8,469,068	7,430,928

[1] Cash and bank balances exclude cash in hand
[2]Trade and other receivables exclude prepayments and advances
[3] As at 31 December 2020, loan investment, with gross value of AED 45,975 thousand and ECLs of AED 972 thousand, was fully secured against shares mortgage.

(i) Bank balances
Substantially all of the bank balances are held with reputed financial institutions with S&P credit ratings ranging between A and BBB+, therefore, there are no significant credit risks as at reporting date.

(ii) Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The characteristics of the Group's customer base including default risk of the industry and country in which the Group's customers operate are some of the factors which influence credit risk.

The Group has established various policies and procedures to manage credit exposure, including initial financial assessment and appraisal, collateral and guarantee requirements and continual credit monitoring. The expected credit losses on trade and other receivables are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk related to unsettled transactions is considered small due to the short settlement period involved and high credit quality of the brokers used.

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

a) Credit risk (continued)

(iii) Loan investments

The Group limits its exposure to credit risk by investing in securities which are fully collaterised and with credit ratings which are within the limits prescribed by the Group's financial risk management guidelines. The expected credit loss of a loan to an equity accounted investee is based on the expected credit loss model which is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

(iv) Derivative assets

The Group limits its exposure to credit risk on derivative assets by dealing with financial institutions and commercial banks that have S&P credit ratings ranging between A and BBB+ as at the reporting date

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which provides appropriate liquidity risk management guidance to the management for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The maturity profile of the assets and liabilities as at 31 December 2021 and 2020 are as follows:

AED '000	31 December 2021					31 December 2020				
	Current	Non-current				Current	Non-current			
Assets	< 1 year	1 – 3 years	> 3 years	Unspecified	Total	< 1 year	1 – 3 years	> 3 years	Unspecified	Total
Property and equipment, net	-	-	-	36,392	36,392	-	-	-	46,368	46,368
Right-of-use assets	11,314	15,070	73,265	-	99,649	14,016	20,315	79,219	-	113,550
Investment property	-	-	-	711,422	711,422	-	-	-	715,989	715,989
Goodwill and intangible assets	-	-	-	78,983	78,983	-	-	-	79,080	79,080
Loan investments	-	-	-	-	-	45,003	-	-	-	45,003
Investments in equity-accounted associates and joint ventures	-	-	-	170,242	170,242	-	-	-	472,076	472,076
Financial investments	6,352,214	20,577	41,233	-	6,414,024	6,135,485	1,885	25,673	-	6,163,043
Inventories	15,604	-	-	-	15,604	15,224	-	-	-	15,224
Trade and other receivables	641,900	-	-	-	641,900	526,796	-	-	-	526,796
Cash and bank balances	1,421,350	-	-	-	1,421,350	704,684	-	-	-	704,684
Total assets	8,442,382	35,647	114,498	997,039	9,589,566	7,441,208	22,200	104,892	1,313,513	8,881,813
Liabilities and equity										
Borrowings	4,033,308	51,624	32,266	-	4,117,198	4,101,775	67,733	42,334	-	4,211,842
End of service benefit provision	-	-	-	26,288	26,288	-	-	-	26,058	26,058
Derivative liabilities	33,271	4,505	62,850	-	100,626	9,900	2,430	17,577	-	29,907
Lease liabilities	12,794	15,911	91,213	-	119,918	8,383	15,298	102,702	-	126,383
Trade and other liabilities	434,146	-	-	-	434,146	338,028	-	-	-	338,028
Total equity	-	-	-	4,791,390	4,791,390	-	-	-	4,149,595	4,149,595
Total liabilities and equity	4,513,519	72,040	186,329	4,817,678	9,589,566	4,458,086	85,461	162,613	4,175,653	8,881,813

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

b) Liquidity risk (continued)

The table below analyses the Group's financial liabilities, based on contractual undiscounted payments, into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

AED '000	31 December 2021				31 December 2020			
	< 1 year	1 – 3 years	> 3 years	Total	< 1 year	1 – 3 years	> 3 years	Total
Liabilities								
Borrowings	**4,083,533**	**54,692**	**34,663**	**4,172,888**	4,154,762	71,663	45,405	4,271,830
Trade and other liabilities	**307,194**	**-**	**-**	**307,194**	178,065	-	-	178,065
Lease liabilities	**16,317**	**25,620**	**191,659**	**233,596**	16,823	37,843	193,185	247,851
Total liabilities	**4,407,044**	**80,312**	**226,322**	**4,713,678**	4,349,650	109,506	238,590	4,697,746

c) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

c) Market risks (continued)

i) Currency risk

The Group may be exposed to currency risk on financial investments, trade receivables and trade payables that are denominated in a currency other than the respective functional currencies of Group entities. In respect of the Group's transactions and balances denominated in US$, Qatari Riyal (QAR), Saudi Riyal (SAR), the Group is not exposed to the currency risk as the UAE Dirham (AED) and Saudi Riyal (SAR) are currently pegged to the US$. The table below summarises the sensitivity of the Group's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at year end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 0.5% with all other variables held constant:

2021 AED'000	**Assets**	**Liabilities**	**Net Exposure**	**Hedged**	**Effect on net equity for +/- 0.5% sensitivity**
Euro	**448,895**	**(396,118)**	**52,777**	**(95,138)**	**+/- 740**
Great British Pound	**159,815**	**-**	**159,815**	**-**	**+/- 799**
Kuwaiti Dinar	**42,047**	**-**	**42,047**	**-**	**+/- 210**
Egyptian Pound	**581,223**	**(11,547)**	**569,676**	**-**	**+/- 2,848**
Omani Riyal	**16,485**	**-**	**16,485**	**-**	**+/- 82**
Others	**54,165**	**-**	**54,165**	**-**	**+/- 271**
	1,302,630	**(407,665)**	**894,965**	**(95,138)**	**+/- 4,950**

2020 AED'000	Assets	Liabilities	Net Exposure	Hedged	Effect on net equity for +/- 0.5% sensitivity
Euro	882,716	(724,862)	157,854	153,862	+/- 20
Great British Pound	42,114	-	42,114	-	+/- 211
Kuwaiti Dinar	28,470	-	28,470	-	+/- 142
Egyptian Pound	283,035	-	283,035	-	+/- 1,415
Omani Riyal	8,062	-	8,062	-	+/- 40
Others	71,381	-	71,381	-	+/- 357
	1,315,778	(724,862)	590,916	153,862	+/- 2,185

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk on its investment in listed fixed income securities carried at fair value through profit or loss, and cash flow interest rate risk on its floating rate non-derivative borrowings. The sensitivities of these financial instruments to changes in interest rates are as follows:

Fair value interest rate risk

- The Group had listed fixed income securities fair valued at AED 4,102,793 thousand at the end of the reporting period (2020: AED 4,422,913 thousand), for which the Group uses a range of DV01 (the dollar value of a basis point) for different time intervals as a key measure of interest rate risk. An absolute measure derived from duration, it indicates the change in price or fair value, expressed in monetary units, caused by a one basis point (0.01%) change in the yield curve. The DV01 for the Group's listed fixed income securities was AED 286 thousand at the end of the reporting period (2020: AED 856 thousand).

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

c) Market risks (continued)

(ii) Interest rate risk (continued)

Cash flow interest rate risk

- The Group had floating rate non-derivative borrowings of AED 4,023,847 thousand at the end of the reporting period (2020: AED 4,064,045 thousand). Had the relevant interest rates been higher/lower by 50 basis points, the Group's finance cost would have been higher/lower, therefore the profit for the year would have been lower/higher by AED 40,976 thousand (2020: AED 43,264 thousand).

In the normal course of business, the Group enters into interest rate swaps, where appropriate, to hedge against the net interest rate exposure of the Group's investments in listed fixed income securities and the corresponding borrowings through repurchase agreements, except where the interest rate exposure is deemed to be immaterial or acceptable in relation to the cost of entering into a hedge. At the end of the reporting period, the net carrying amount of the interest rate swaps was immaterial.

(iii) Equity and fixed income price risk

Equity and fixed income price risk arises from investments in equity and fixed income securities. Management of the Group monitors the mix of securities in its investment portfolio based on respective benchmark market indices to reduce the exposure on account of share prices (refer to note 28 (e) for sensitivity analysis).

Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including 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 behaviour.

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 primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, retained earnings and reserves. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders in order to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

In respect of the public market segment, the amount of net assets attributable to shareholders can change significantly on a weekly basis, as the Funds are subject to weekly subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Funds' performance. The Group's objective when managing capital is to safeguard the Funds' ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Funds.

The Group monitors its capital structure based on the covenants required by the Group's lenders of the Revolving Corporate facility ("RCF"). For the year ended 31 December 2021, a gearing ratio was computed and is defined as Borrowings over tangible assets as defined in the RCF agreement dated 15 August 2021. Correspondingly, for the year ended 31 December 2020, a leverage ratio was computed and was defined as Borrowings over Borrowings plus Net worth as defined in the RCF agreement dated 15 August 2016.

The Group's gearing ratio reported to the Group's lenders of the Revolving Corporate facility ("RCF") as at 31 December 2021 was 0.33 and was in compliance of the requirement of maximum of 0.60 times.

The Group's leverage ratio reported to the Group's lenders of the Revolving Corporate facility ("RCF") as at 31 December 2020 was 0.30 and was in compliance of the requirement of maximum of 0.65 times.

e) Fair values

a Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities by valuation technique:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable for the asset or liability.

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

e) Fair values (continued)

a Fair value hierarchy (continued)

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. As at 31 December, the Group held the following financial assets and liabilities at fair value:

		2021 AED '000	2020 AED '000	Fair value hierarchy	Valuation technique	Sensitivity Analysis
Financial assets at fair value through profit or loss						
a	Listed equity securities	**1,788,086**	1,366,559	Level 1	Quoted bid prices in an active market	± 5% change in quoted bid prices, impacts fair value by AED 89,404 thousand
b	Other investment in equity securities	**963**	963	Level 3	Valuation is based on Net Asset Values (NAV)	± 5% change in NAV, impacts fair value by AED 48 thousand
c	Convertible preference shares	**185,545**	220,680	Level 3	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares	± 5% change in quoted bid prices, impacts fair value by AED 9,277 thousand
d	Listed fixed income securities	**4,102,793**	4,422,913	Level 1	Quoted bid prices in an active market	± 5% change in quoted bid prices, impacts fair value by AED 205,140 thousand
e	Reverse repurchase contracts	**112,780**	49,484	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 5,639 thousand
f	Derivative assets	**88,960**	68,282	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 4,448 thousand
g	Unquoted fund	**134,897**	34,162	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager	± 5% change in NAV, impacts fair value by AED 6,745 thousand
	Financial liabilities at fair value through profit or loss					
a	Derivative liabilities	**(100,626)**	(29,907)	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 5,031 thousand

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

e) Fair values (continued)

a Fair value hierarchy (continued)

	2021 AED '000				2020 AED '000			
Financial assets	**Total**	**Level 1**	**Level 2**	**Level 3**	Total	Level 1	Level 2	Level 3
Financial assets at FVTPL								
Investment in equity securities	**1,788,086**	**1,788,086**	**-**	**-**	1,366,559	1,366,559	-	-
Other investment in equity securities	**963**	**-**	**-**	**963**	963	-	-	963
Convertible preference shares	**185,545**	**-**	**-**	**185,545**	220,680	-	-	220,680
Investment in fixed income securities	**4,102,793**	**4,102,793**	**-**	**-**	4,422,913	4,422,913	-	-
Derivative assets	**88,960**	**-**	**88,960**	**-**	68,282	-	68,282	-
Reverse repurchase contracts	**112,780**	**-**	**112,780**	**-**	49,484	-	49,484	-
Unquoted fund	**134,897**	**-**	**-**	**134,897**	34,162	-	-	34,162
Total	**6,414,024**	**5,890,879**	**201,740**	**321,405**	6,163,043	5,789,472	117,766	255,805

Financial liabilities	**Total**	**Level 1**	**Level 2**	**Level 3**	Total	Level 1	Level 2	Level 3
Financial liabilities at FVTPL								
Derivative liabilities	**(100,626)**	**-**	**(100,626)**	**-**	(29,907)	-	(29,907)	-
Total	**(100,626)**	**-**	**(100,626)**	**-**	(29,907)	-	(29,907)	-

There have been no transfers between levels 1 and 2 during the year.

Notes to the consolidated financial statements (continued)

28 Financial instruments (continued)

e) Fair values (continued)

a Fair value hierarchy (continued)

Reconciliation of Level 3 fair value movements

	2021 AED '000	2020 AED '000
At 1 January	**255,805**	34,980
Additions	**103,415**	180,222
(Decrease) / increase in fair value through profit or loss	**(37,815)**	40,603
	321,405	255,805

b Fair values of financial assets and liabilities measured at amortised cost

The fair values of financial assets and liabilities approximate their carrying amounts.