

Amanat Holdings PJSC

Condensed consolidated interim financial statements
For the period ended 30 September 2015

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KPMG Lower Gulf Limited
Level 13, Boulevard Plaza Tower One
Mohammed Bin Rashid Boulevard
PO Box 3800
Downtown Dubai
United Arab Emirates

Telephone +971 (4) 403 0300
Fax +971 (4) 330 1515
Website www.ae-kpmg.com

Independent auditor's report on review of condensed consolidated interim financial information

The Shareholders
Amanat Holdings PJSC

Introduction

We have reviewed the accompanying 30 September 2015 condensed consolidated interim financial information of Amanat Holdings PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2015;
- the condensed consolidated statements of profit or loss for the nine-month period ended 30 September 2015, the three-month period ended 30 September 2015, and the period from 17 November 2014 to 30 September 2015;
- the condensed consolidated statements of profit or loss and other comprehensive income for the nine-month period ended 30 September 2015, the three-month period ended 30 September 2015, and the period from 17 November 2014 to 30 September 2015;
- the condensed consolidated statement of changes in equity for the period from 17 November 2014 to 30 September 2015;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2015 and the period from 17 November 2014 to 30 September 2015; and
- notes to the interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

08 NOV 2015

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No.: 793

Amanat Holdings PJSC

Condensed consolidated interim statement of financial position

		At 30 September 2015 AED'000 (Unaudited)	At 31 December 2014 AED'000 (Unaudited)
	Note		
ASSETS			
Non-current assets			
Property and equipment		416	-
Investment in an associate	3	184,279	-
Current assets			
Available-for-sale investment	4	224,115	-
Deposits and prepayments	5	2,822	1,724
Other assets	6	17,241	1,997
Cash and bank balances	7	2,048,607	2,511,203
Total assets		2,477,480	2,514,924
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	2,500,000	2,500,000
Reserve	9	5,718	2,996
Unrealised loss from available-for-sale investment	4	(25,883)	-
Accumulated losses		(7,400)	(14,499)
Total equity attributable to the owners of the Company		2,472,435	2,488,497
LIABILITIES			
Current liabilities			
Payables to a related party	17	-	133
Trade and other payables	10	5,045	26,294
Total liabilities		5,045	26,427
Total equity and liabilities		2,477,480	2,514,924

The notes set out on pages 7 to 21 form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on 08 NOV 2015 and signed on its behalf by:

Chairman

Name:

FAISAL BIN JUMA BELHOU

Director

Name:

KAMAL BAHAMDAN

The Independent auditor's report on review of condensed consolidated interim financial information is set out on page 1.

Amanat Holdings PJSC

Condensed consolidated interim statement of profit or loss
For the period ended 30 September 2015 (Unaudited)

		For the 9 month period ended 30 September 2015 AED'000	For the 3 month period ended 30 September 2015 AED'000	For the period from 17 November 2014 to 30 September 2015 AED'000
	Note			
Income				
Interest income	11	22,119	7,479	23,644
Dividend income	4	1,090	1,090	1,090
		<u>23,209</u>	<u>8,569</u>	<u>24,734</u>
Expenses				
Pre-incorporation expenses	12	-	-	(12,515)
Employee related expenses	13	(13,212)	(4,407)	(14,256)
General and administrative expenses	14	(6,213)	(1,975)	(8,678)
Total operating expenses		<u>(19,425)</u>	<u>(6,382)</u>	<u>(35,449)</u>
Share of profit of equity-accounted investees	3	<u>3,315</u>	<u>3,315</u>	<u>3,315</u>
Net profit/(loss) for the period (Attributable to shareholders of the Company)		<u><u>7,099</u></u>	<u><u>5,502</u></u>	<u><u>(7,400)</u></u>
Basic and diluted profit/(loss) per share (AED)	15	<u><u>0.0028</u></u>	<u><u>0.0022</u></u>	<u><u>(0.0030)</u></u>

The notes set out on pages 7 to 21 form an integral part of these condensed consolidated interim financial statements.

The Independent auditor's report on review of condensed consolidated interim financial information is set out on page 1.

Amanat Holdings PJSC

Condensed consolidated interim statement of profit or loss and other comprehensive income
For the period ended 30 September 2015 (Unaudited)

	Note	For the 9 month period ended 30 September 2015 AED'000	For the 3 month period ended 30 September 2015 AED'000	For the period from 17 November 2014 to 30 September 2015 AED'000
Net profit/(loss) for the period (Attributable to shareholders of the Company)		7,099	5,502	(7,400)
Other comprehensive income				
Unrealised loss from available-for-sale investment	4	(25,883)	(39,388)	(25,883)
Total comprehensive loss for the period (Attributable to shareholders of the Company)		<u>(18,784)</u>	<u>(33,886)</u>	<u>(33,283)</u>

The notes set out on pages 7 to 21 form an integral part of these condensed consolidated interim financial statements.

The Independent auditor's report on review of condensed consolidated interim financial information is set out on page 1.

Amanat Holdings PJSC

Condensed consolidated interim statement of changes in equity
For the period ended 30 September 2015 (Unaudited)

	Note	Share capital AED'000	Reserves AED'000	Investments fair valuation reserve AED'000	Accumulated losses AED'000	Total AED'000
Proceeds from share subscription		2,500,000	-	-	-	2,500,000
Proceeds received for share issuance and IPO expenses		-	50,000	-	-	50,000
Less: Share issuance and IPO expenses		-	(47,004)	-	-	(47,004)
Total comprehensive loss for the period		-	-	-	(14,499)	(14,499)
As at 31 December 2014		<u>2,500,000</u>	<u>2,996</u>	<u>-</u>	<u>(14,499)</u>	<u>2,488,497</u>
As at 1 January 2015		2,500,000	2,996	-	(14,499)	2,488,497
Add: Reversal of share issuance and IPO expenses	18	-	2,722	-	-	2,722
Profit for the period		-	-	-	7,099	7,099
Unrealised loss from available-for-sale investment	4	-	-	(25,883)	-	(25,883)
As at 30 September 2015		<u>2,500,000</u>	<u>5,718</u>	<u>(25,883)</u>	<u>(7,400)</u>	<u>2,472,435</u>

The notes set out on pages 7 to 21 form an integral part of these condensed consolidated interim financial statements.

Amanat Holdings PJSC

Condensed consolidated interim statement of cash flows
For the period ended 30 September 2015 (Unaudited)

	Note	For the 9 month period ended 30 September 2015 AED'000	For the period from 17 November 2014 to 30 September 2015 AED'000
Operating activities			
Profit/(loss) for the period		7,099	(7,400)
Adjustments:			
Less: Interest income		(22,119)	(23,644)
Less: Dividend income		(1,090)	(1,090)
Less: Share of profits from associate		(3,315)	(3,315)
Add: Depreciation		44	44
		<u>(19,381)</u>	<u>(35,405)</u>
Adjustment for changes in:			
Trade and other payables		(718)	5,045
Prepayments and deposits	5	(1,098)	(2,822)
Other assets	6	(674)	(1,158)
Net cash used in operating activities		<u>(21,871)</u>	<u>(34,340)</u>
Investing activities			
Acquisition of property and equipment		(460)	(460)
Interest received		7,549	7,561
Dividend received		1,090	1,090
Consideration paid for available-for-sale investment		(249,998)	(249,998)
Consideration paid for investment in Associate		(180,964)	(180,964)
Net movement in Wakala, Mudaraba and Term deposits	7	787,500	(1,685,000)
Net cash generated from/(used in) investing activities		<u>364,717</u>	<u>(2,107,771)</u>
Financing activities			
Issue of share capital		-	2,500,000
Proceeds received for shares issuance and IPO expenses		-	50,000
Share issuance and IPO expenses paid	18	(17,942)	(44,282)
Net cash (used in)/generated from financing activities		<u>(17,942)</u>	<u>2,505,718</u>
Net increase in cash and cash equivalents		324,904	363,607
Cash and cash equivalents at the beginning of the period		38,703	-
Net balance of cash and cash equivalents at the end of the period	7	<u>363,607</u>	<u>363,607</u>

The notes set out on pages 7 to 21 form an integral part of these condensed consolidated interim financial statements.

The Independent auditor's report on review of condensed consolidated interim financial information is set out on page 1.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015

1 BACKGROUND AND PRINCIPAL ACTIVITIES

Amanat Holdings PJSC ("the Company") was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company under the UAE Federal Law No. 8 of 1984, (as amended). Following the Initial Public Offering ("IPO") which commenced on 20 October 2014 and closed on 4 November 2014, the Company listed on the Dubai Financial Market. These consolidated financial statements include the financial performance and position of the Company and its subsidiaries (collectively the "Group" and individually "Group companies").

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

During the current period, the Group incorporated three Limited Liability Companies and two offshore Jebel Ali Free Zone Authority companies (the "Group companies"). The Group also made an investment in an associate in the current year (refer note 3). The extent of the Company's ownership in these subsidiaries and the associate with their principal activities are as follows:

<u>Name</u>	<u>Legal ownership interest</u>	<u>Country of incorporation</u>	<u>Principal Activities</u>
Subsidiaries			
* Amanat Investments L.L.C.	99%	United Arab Emirates	Investment in commercial enterprises and management.
* Amanat Education Investments L.L.C.	99%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
* Amanat Healthcare Investments L.L.C.	99%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
A.H.H. Investments Limited	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
A.H.E. Investments Limited	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Associate			
Sukoon International Holding Company	33%	Kingdom of Saudi Arabia	Long-term and critical healthcare

* In the above companies where the Group ownership is 99%, the remaining 1% ownership is held by the Chairman of the Company for the beneficial interest of the Company.

The subsidiaries mentioned above, except for Amanat Healthcare Investments L.L.C., have not started any operations up until 30 September 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied during the period presented, unless otherwise stated.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the Group's financial position and performance.

The Group has determined that the first accounting period starts from 17 November 2014.

Standards issued but not yet effective

The standards and interpretations that are issued and are relevant to the Group, but not yet effective, upto the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

New Standard or amendments	Effective date
IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRS 9 <i>Financial Instruments</i>	1 January 2018

Details of each of the above standards and amendments are given below.

IFRS 15 Revenue from Contracts with customers

IFRS 15, published in May 2014, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting model. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

b) Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Foreign currency translation

Functional and presentation currency

Items included in the condensed consolidated interim financial statements of the Group are measured using the currency of primary economic environment in which the Group operates ("The functional currency"). The condensed consolidated interim financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Group's functional currency.

Transactions and balances

Transactions denominated in foreign currencies are translated into AED at exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into AED at exchange rates prevailing at the balance sheet date. All gains and losses from settlement and translation of foreign currency transactions are recognised in the statement of profit or loss.

d) Financial instruments

Recognition

The Group initially recognises financial instruments on the date at which they are originated / acquired. Financial assets comprise cash and cash equivalents, deposits, prepayments and other assets. Financial liabilities comprise accruals and payables and due to a related party. A financial asset or financial liability is measured initially at fair value plus (for an item not at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue. Subsequent to initial recognition, non derivative financial instruments are measured as described below.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold financial assets to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. The Group measures available-for-sale financial assets initially at fair value plus directly attributable transaction cost. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. Any foreign currency differences on available-for-sale financial assets that are equity instruments are recognised in other comprehensive income and presented in the fair value reserve in equity. Any foreign currency differences on available-for-sale financial assets that are debt instruments are recognised in profit or loss. When an available for sale financial asset is derecognised, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss.

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. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Impairment of financial assets (continued)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of profit or loss and other comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised except for available for sale equity instruments, which is recognised in other comprehensive income. For financial assets measured at amortised cost, the reversal is recognised in statement of profit or loss and other comprehensive income.

In assessing collective impairment, the Group uses historical information as the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be great or lesser suggested by the historical trends.

Available for sale financial assets:

Impairment loss on available for sale financials assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit and loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment losses previously recognized in profit and loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss, otherwise it is reversed through other comprehensive income.

Equity accounted investee

Any impairment is measured by comparing the recoverable amount of investment by its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Fair value measurement principles

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Fair value measurement principles (continued)

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to reflect the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or liability is measured at fair value that has a bid price and a ask price, then the Group measure assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and the counterparty, where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

The fair value of derivatives that are not exchange traded is estimated at the present value of the amount that the Group would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current creditworthiness of the counterparty.

Fair value hierarchy

The Group measures the fair value using the following fair value hierarchy that reflects the significance of input used in making these measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Pursuant to disclosure requirements of IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurement the Group has disclosed the respective information under note 4.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Investment in an associate

Investment in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of the equity-accounted investee, until the date on which significant influence or joint control ceases.

f) Interest income

Interest income is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

g) Dividend income

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented in net operating income, net income from other financial instruments at fair value through profit or loss or other revenue based on the underlying classification of the investment.

h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances with an original maturity of less than three months.

i) Employee benefits

Short term employee benefits

Short term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

Pension Obligations

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No (7), 1999 for Pension and Social Security.

End of service benefits

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

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Operating lease

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

3 INVESTMENT IN AN ASSOCIATE

On 10 August 2015, the Group acquired a 35% equity interest in Sukoon International Holding Company (the "Associate") and accounted for it in accordance with the equity accounting methodology as per IAS 28 – Investments in associates and joint ventures.

The following summarises the financial information of the Associate and reconciles the summarised financial information to the carrying amount of the Group's interest in the Associate for the period from 10 August 2015 till 30 September 2015.

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
* Initial cost of investment	175,885	-
Transaction related costs capitalised	5,079	-
Group's share of net profits for the period from 10 August 2015 to 30 September 2015	3,315	-
Investment in associate	<u>184,279</u>	<u>-</u>

* The initial cost of investment includes a contingent consideration of AED 16.1 million paid into an escrow account held with a bank in its capacity as an escrow agent. The AED 16.1 million of contingent consideration is subject to recovery of certain receivables by the Associate from its customers.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

3 INVESTMENT IN AN ASSOCIATE (continued)

Percentage of interest	Investment in Associate 35%
	As at 30 September 2015 (unaudited) AED '000
Assets	442,656
Liabilities	(130,916)
Net assets	<u>311,740</u>
Group's share in net assets at 35%	109,109
Revenue for the period from 10 August 2015 to 30 September 2015	15,832
Profit for the period from 10 August 2015 to 30 September 2015	9,472
Group's share of profit for the period from 10 August 2015 to 30 September 2015 at 35%	3,315

The Group is in process of evaluating the fair value of the identifiable net assets acquired as part of the acquisition. This will be completed within 12 months of the acquisition date, in accordance with IFRS 3 - Business combinations.

4 AVAILABLE-FOR-SALE INVESTMENT

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Opening balance	-	-
Acquired during the period	249,998	-
Unrealised loss	(25,883)	-
Available-for-sale investment	<u>224,115</u>	<u>-</u>

Available-for-sale investment represents the investment made by the Group in Al Noor Hospitals Group Plc on 19 May 2015. The Group has received AED 1.1 million of dividend income from Al Noor Hospitals Group Plc during the three month period ended 30 September 2015.

Subsequent to period end the Al Noor Hospital Group Plc has received a bid for its acquisition from Mediclinic International valuing Al Noor Hospital Group Plc at GBP 11.60 per share. Based on the bid price, the fair value of the Group's investment in Al Noor Hospitals Group Plc amounts to approximately AED 320 million.

Amanat Holdings PJSC

Notes to the condensed consolidated interim financial statements
For the period ended 30 September 2015 (Continued)

4 AVAILABLE-FOR-SALE INVESTMENT (continued)

4.1 Fair value hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

At 30 September 2015 (Unaudited)	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Available-for-sale investment	<u>224,115</u>	<u>-</u>	<u>-</u>	<u>224,115</u>

5 DEPOSITS AND PREPAYMENTS

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Deposits	1,019	982
Prepayments	<u>1,803</u>	<u>742</u>
	<u>2,822</u>	<u>1,724</u>

6 OTHER ASSETS

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Accrued interest	16,083	1,513
Other receivables	<u>1,158</u>	<u>484</u>
	<u>17,241</u>	<u>1,997</u>

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For the period ended 30 September 2015 (Continued)

7 CASH AND BANK BALANCES

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Call deposits	338,736	-
Current account	24,846	38,703
Cash on hand	25	-
Cash and cash equivalents	363,607	38,703
Wakala deposits	1,435,000	1,325,000
Mudaraba deposits	-	1,147,500
Term deposits	250,000	-
	<u>2,048,607</u>	<u>2,511,203</u>

During the 9 month period ended 30 September 2015, the Company has earned interest at an average rate of 1% per annum (Period from 17 November 2014 to 31 December 2014: Nil) on its call deposits and 1.32% per annum on its Wakala, Mudaraba and Term deposits combined together (Period from 17 November 2014 to 31 December 2014: 0.81%).

8 SHARE CAPITAL

As at 30 September 2015, 2,500,000,000 authorised ordinary shares of AED 1 each were fully issued and paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

9 RESERVE

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Amounts raised in initial public offering for related costs (AED 0.02 per share)	50,000	50,000
Less: Share issuance and IPO expenses incurred	(47,004)	(47,004)
Add: Reversal of share issuance and IPO expenses (refer note 18)	2,722	-
	<u>5,718</u>	<u>2,996</u>

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10 TRADE AND OTHER PAYABLES

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Sundry payables	3,267	25,362
Staff related provisions	1,225	90
Accrued expenses	553	842
	<u>5,045</u>	<u>26,294</u>

11 INTEREST INCOME

	For the 9 month period ended 30 September 2015 AED'000 (Unaudited)	For the 3 month period ended 30 September 2015 AED'000 (Unaudited)	For the period from 17 November 2014 to 30 September 2015 AED'000 (Unaudited)
Profit on Wakala deposits	19,244	5,587	21,272
Interest on call and term deposits	2,875	1,892	2,372
	<u>22,119</u>	<u>7,479</u>	<u>23,644</u>

12 PRE-INCORPORATION EXPENSES

Pre-incorporation expenses represent expenses approved by the Group's Founders' Committee which were incurred between 1 September 2013 till the date of incorporation for the benefit of the Group and which relate to the investment activities proposed to be undertaken by the Group, though not related to the initial public Offering ("IPO") of its shares.

13 EMPLOYEE RELATED EXPENSES

	For the 9 month period ended 30 September 2015 AED'000 (Unaudited)	For the 3 month period ended 30 September 2015 AED'000 (Unaudited)	For the period from 17 November 2014 to 30 September 2015 AED'000 (Unaudited)
Salaries, wages and other benefits	11,382	4,041	12,223
Provision for gratuity and leave encashment	1,087	366	1,178
Other staff costs	743	-	855
	<u>13,212</u>	<u>4,407</u>	<u>14,256</u>

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For the period ended 30 September 2015 (Continued)

14 GENERAL AND ADMINISTRATIVE EXPENSES

	For the 9 month period ended 30 September 2015 AED'000 (Unaudited)	For the 3 month period ended 30 September 2015 AED'000 (Unaudited)	For the period from 17 November 2014 to 30 September 2015 AED'000 (Unaudited)
General and administrative expenses	5,923	1,975	6,490
Transaction related costs	290	-	2,188
	<u>6,213</u>	<u>1,975</u>	<u>8,678</u>

15 BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share has been based on the profit / (loss) for the period and number of ordinary shares issued by the Group.

	For the 9 month period ended 30 September 2015 (Unaudited)	For the 3 month period ended 30 September 2015 (Unaudited)	For the period from 17 November 2014 to 30 September 2015 (Unaudited)
Profit/(loss) for the period (AED'000)	<u>7,099</u>	<u>5,502</u>	<u>(7,400)</u>
Number of ordinary shares ('000)	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Earnings/(loss) per share (AED)	<u>0.0028</u>	<u>0.0022</u>	<u>(0.0030)</u>

16 OPERATING LEASES

At 30 September 2015, the future minimum lease payments for operating leases payable were as follows:

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Due in less than one year	3,952	3,845
Due between one and five years	<u>4,169</u>	<u>6,483</u>
Total minimum lease payments	<u>8,121</u>	<u>10,328</u>

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17 RELATED PARTY TRANSACTIONS

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

Entity	Nature of relationship		
Ithmar Capital	Common directorship and shareholder in the Group		
	For the 9 month period ended 30 September 2015 AED'000 (Unaudited)	For the 3 month period ended 30 September 2015 AED'000 (Unaudited)	For the period from 17 November 2014 to 30 September 2015 AED'000 (Unaudited)
Transactions with Ithmar Capital			
Payments made to reimburse for expenses settled by Ithmar Capital on behalf of the Group	-	-	28,210

These payments to Ithmar Capital are for costs it had incurred on behalf of the Group.

Balances outstanding with a related party

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Unaudited)
Due to Ithmar Capital	-	133

Key Managerial Persons' remunerations

Key managerial persons' compensation comprised the following:

	For the 9 month period ended 30 September 2015 AED'000 (Unaudited)	For the 3 month period ended 30 September 2015 AED'000 (Unaudited)	For the period from 17 November 2014 to 30 September 2015 AED'000 (Unaudited)
Short-term employee benefits	3,583	1,194	3,981
Post-employment benefits	77	26	86

There are no other transactions with key managerial personnel during the period.

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For the period ended 30 September 2015 (Continued)

18 SHARE ISSUANCE AND IPO RELATED EXPENSES

During the nine month period ended 30 September 2015, share issuance and IPO related accrued expenses of AED 2,722,000 were no longer required to be paid and accordingly have been reversed.

19 FINANCIAL RISK MANAGEMENT

The Group is in the process of formulating and developing its risk management policies and procedures. The Wakala deposits, Mudaraba deposits, Term deposits and Call deposits disclosed in note 6 are placed with financial institutions of high repute and which attract interest.

20 OPERATING SEGMENTS

The principal activities of the Group are to invest in companies and enterprises in the fields of education and healthcare and managing, developing and operating such companies and enterprises. As the Group has only made investments in healthcare as at 30 September 2015, no segment information has been included.

21 SUBSEQUENT EVENTS

Subsequent to period end, the Associate is in the process of a rights issue in which Amanat Holdings PJSC will be participating. As a result of this, the investment in the Associate will increase up to AED 197 million.

22 COMPARATIVE FIGURES

Certain comparative figures have been re-classified as necessary to conform to the current period's presentation.