Burjeel Holdings PVT. Limited

CONSOLIDATED FINANCIAL STATEMENTS &
DIRECTOR'S REPORT

FOR THE YEARS ENDED 31 DECEMBER 2021, 2020 AND 2019

Burjeel Holding Pvt. Limited

DIRECTOR’S REPORT

FOR THE YEARS ENDED 31 DECEMBER 2021, 2020 AND 2019

DIRECTOR'S REPORT
For the year ended 31 December 2021

The Director of Burjeel Holding PVT. Limited (Private Company Limited by Shares) (the "Company") and its subsidiaries (collectively referred to as the "Group") have pleasure in submitting their report, together with the audited consolidated financial statements for the years ended 31 December 2019, 2020 and 2021.

Principal activity
The principal activity of the Group is to act as a holding company for the entities within the Group. The principal activities of the subsidiaries are to provide multi-speciality hospitals, medical, surgical and dental services and sale of pharmaceutical goods and medical equipment.

Results

	Years ended 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Revenue	3,350,991,234	2,605,182,524	2,420,525,315
Total comprehensive income (loss) for the year	234,105,952	(33,998,563)	(125,081,607)

Auditors
A resolution to reappoint Ernst and Young as auditors for the ensuing year will be put to the shareholder at Annual General Meetings.

Dr. Shamsheer Vayalil Parambath
Director

Burjeel Holding Pvt. Limited

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2021, 2020 AND 2019

Ernst & Young – Middle East
P.O. Box 136
Office 2449 – Floor 24
Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
Abu Dhabi
United Arab Emirates

Tel: +971 2 417 4400
+971 2 627 7522
Fax: +971 2 627 3383
abudhabi@ae.ey.com
www.ey.com/mena

Registration No. 000001136

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF

BURJEEL HOLDING PVT. LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Burjeel Holding PVT. Limited (Private Company Limited by Shares) (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of financial position as at 31 December 2019, 31 December 2020 and 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years ended 31 December 2019, 31 December 2020 and 31 December 2021, 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 financial position of the Group as at 31 December 2019, 31 December 2020 and 31 December 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Abu Dhabi Global Market ("ADGM"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter
We draw your attention to note 2.8 where the judgement regarding the timing of recovery of amounts due from related parties is disclosed.

Responsibilities of management and the Director for the consolidated financial statements
The 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 Group's Articles of Association, Companies Regulation 2020 of Abu Dhabi Global Market (ADGM), and for such internal control as the 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, the 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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Director is responsible for overseeing the Group's financial reporting process.

Report on the Audit of the Consolidated Financial Statements continued

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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 Auditors' 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 Auditors' 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 the Director 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF

BURJEEL HOLDING PVT. LIMITED continued

Report on Other Legal and Regulatory Requirements

i) the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and

ii) the financial information included in the Director's report is consistent with the books of account and records of the Group.

Signed by:
Anthony O'Sullivan
Ernst & Young

29 June 2022
Abu Dhabi

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2021 AED	2020 AED	2019 AED
		Years ended 31 December		
Revenue	3	3,350,991,234	2,605,182,524	2,420,525,315
Doctors' and employees' salaries and emoluments	4	(1,373,099,955)	(1,140,795,582)	(1,122,039,752)
Inventories consumed	9	(762,548,026)	(611,292,872)	(539,094,094)
Depreciation of property and equipment	7(a)	(281,239,499)	(244,911,784)	(252,668,204)
Amortisation of intangible assets	7(b)	(5,597,367)	(7,084,230)	(8,400,931)
Depreciation of right of use assets	16	(107,453,005)	(106,331,874)	(102,995,884)
Rent expenses	16	(9,309,073)	(8,084,307)	(10,680,203)
Provision for expected credit losses	10	(112,798,403)	(108,742,362)	(82,934,469)
Utility charges		(42,373,391)	(35,449,294)	(27,587,525)
Other expenses	6	(293,047,053)	(238,832,130)	(222,962,578)
OPERATING PROFIT FOR THE YEAR		363,525,462	103,658,089	51,161,675
Finance costs	5	(209,202,939)	(210,033,886)	(240,308,196)
Interest income from related parties	17	58,468,706	64,154,806	61,409,910
Share of profit from associates	20	21,314,723	8,222,428	2,655,004
PROFIT (LOSS) FOR THE YEAR		234,105,952	(33,998,563)	(125,081,607)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		234,105,952	(33,998,563)	(125,081,607)
Profit (loss) for the year and total comprehensive income (loss) for the year attributable to:				
Owner of the Parent		220,922,484	(46,274,151)	(127,215,506)
Non-controlling interests		13,183,468	12,275,588	2,133,899
		234,105,952	(33,998,563)	(125,081,607)
Earnings (loss) per share attributable to the Owner of the Parent:				
Basic and diluted earnings (loss) per share	24	2,209,225	(462,742)	-

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	*2021 AED*	*2020 AED*	*2019 AED*
		As at 31 December		
ASSETS				
Non-current assets				
Property and equipment	7(a)	2,180,920,588	2,315,860,419	1,368,110,544
Intangible assets	7(b)	7,929,931	13,443,948	14,281,135
Right of use assets	16	1,138,517,781	1,245,980,641	1,343,708,497
Capital work in progress	8	16,324,776	76,968,353	990,260,979
Investment in associates	20	17,390,767	10,076,044	6,563,616
Amounts due from related parties	17	-	831,580,501	752,959,783
Long term deposits		3,195,989	3,575,983	3,590,233
		3,364,279,832	4,497,485,889	4,479,474,787
Current assets				
Inventories	9	207,308,714	157,118,047	144,944,425
Accounts receivable and prepayments	10	894,083,418	686,858,094	717,848,346
Amounts due from related parties	17	1,595,991,492	676,131,583	637,946,664
Bank balances and cash	11	133,815,562	132,817,004	189,606,132
		2,831,199,186	1,652,924,728	1,690,345,567
TOTAL ASSETS		6,195,479,018	6,150,410,617	6,169,820,354
EQUITY AND LIABILITIES				
Equity				
Share capital	12(a)	734,000	734,000	-
Shareholder's account	12(b)	532,963,590	524,784,885	431,671,183
Other reserve	12(c)	2,889,504	2,889,504	2,697,827
Shareholder's contribution	12(d)	19,684,559	19,234,561	18,934,559
Accumulated losses		(192,832,640)	(413,755,124)	(367,289,296)
Equity attributable to the Owner of the parent		363,439,013	133,887,826	86,014,273
Non-controlling interests	25	17,763,361	4,429,893	(7,845,695)
Total equity		381,202,374	138,317,719	78,168,578
Non-current liabilities				
Interest bearing loans and borrowings	14	2,648,798,249	2,570,877,054	2,600,175,835
Lease liabilities	16	1,108,599,810	1,240,555,846	1,303,153,653
Employees' end of service benefits	13	101,343,150	85,585,218	71,172,921
Derivative financial instruments	23	32,463,738	34,961,714	24,443,657
		3,891,204,947	3,931,979,832	3,998,946,066
Current liabilities				
Accounts payable and accruals	15	1,046,177,187	985,405,082	1,009,460,639
Lease liabilities	16	172,676,235	120,725,289	93,758,790
Interest bearing loans and borrowings	14	558,908,655	755,847,289	772,182,978
Amounts due to related parties	17	53,832,937	38,822,243	26,881,330
Bank overdrafts	14	91,476,683	179,313,163	190,421,973
		1,923,071,697	2,080,113,066	2,092,705,710
Total liabilities		5,814,276,644	6,012,092,898	6,091,651,776
TOTAL EQUITY AND LIABILITIES		6,195,479,018	6,150,410,617	6,169,820,354

Dr. Shamsheer Vayalil Parambath

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the Owner of the parent							
	Share capital AED	*Shareholders' account AED*	*Other reserve AED*	*Shareholder's contribution AED*	*Accumulated losses AED*	*Total AED*	*Non-controlling interest AED*	*Total equity AED*
As at 1 January 2019 *(unaudited)*	-	364,860,335	2,547,252	17,734,559	(239,923,215)	145,218,931	(10,279,594)	134,939,337
Loss for the year	-	-	-	-	(127,215,506)	(127,215,506)	2,133,899	(125,081,607)
Total comprehensive loss for the year	-	-	-	-	(127,215,506)	(127,215,506)	2,133,899	(125,081,607)
Additional contribution	-	-	-	1,200,000	-	1,200,000	300,000	1,500,000
Transfer to other reserve	-	-	150,575	-	(150,575)	-	-	-
Movement in shareholder's account, net	-	66,810,848	-	-	-	66,810,848	-	66,810,848
As at 31 December 2019	**-**	**431,671,183**	**2,697,827**	**18,934,559**	**(367,289,296)**	**86,014,273**	**(7,845,695)**	**78,168,578**
Balance at 1 January 2020	-	431,671,183	2,697,827	18,934,559	(367,289,296)	86,014,273	(7,845,695)	78,168,578
Loss for the year	-	-	-	-	(46,274,151)	(46,274,151)	12,275,588	(33,998,563)
Total comprehensive loss for the year	-	-	-	-	(46,274,151)	(46,274,151)	12,275,588	(33,998,563)
Additional contribution	-	-	-	300,002	-	300,002	-	300,002
Transfer to other reserve	-	-	191,677	-	(191,677)	-	-	-
Movement in shareholder's account, net	-	93,113,702	-	-	-	93,113,702	-	93,113,702
Issuance of share capital	734,000	-	-	-	-	734,000	-	734,000
As at 31 December 2020	**734,000**	**524,784,885**	**2,889,504**	**19,234,561**	**(413,755,124)**	**133,887,826**	**4,429,893**	**138,317,719**
As at 1 January 2021	734,000	524,784,885	2,889,504	19,234,561	(413,755,124)	133,887,826	4,429,893	138,317,719
Profit for the year	-	-	-	-	220,922,484	220,922,484	13,183,468	234,105,952
Total comprehensive income for the year	-	-	-	-	220,922,484	220,922,484	13,183,468	234,105,952
Additional contribution	-	-	-	449,998	-	449,998	150,000	599,998
Movement in shareholder's account, net	-	8,178,705	-	-	-	8,178,705	-	8,178,705
As at 31 December 2021	**734,000**	**532,963,590**	**2,889,504**	**19,684,559**	**(192,832,640)**	**363,439,013**	**17,763,361**	**381,202,374**

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	*Years ended 31 December* 2021 AED	2020 AED	2019 AED
OPERATING ACTIVITIES				
Profit (loss) for the year		**234,105,952**	**(33,998,563)**	**(125,081,607)**
Adjustments for:				
Depreciation on property and equipment	7(a)	**281,239,499**	**244,911,784**	**252,668,204**
Amortisation on intangible assets	7(b)	**5,597,367**	**7,084,230**	**8,400,931**
Depreciation of right of use assets	16	**107,453,005**	**106,331,874**	**102,995,884**
Provision for expected credit losses	10	**112,798,403**	**108,742,362**	**82,934,469**
Share of profit from investments in associates	20	**(21,314,723)**	**(8,222,428)**	**(2,655,004)**
Interest income from related parties		**(58,468,706)**	**(64,154,806)**	**(61,409,910)**
Write off of right of use assets	16	**9,855**	**-**	**-**
Provision for employees' end of service benefits	13	**30,343,510**	**25,373,282**	**18,230,756**
Adjustment for rent concession	16	**(902,537)**	**(1,823,235)**	**-**
Loss on disposal of property and equipment		**-**	**319,653**	**1,492,745**
Loss on transfer of property and equipment to a related parties		**-**	**4,008,476**	**-**
Finance costs	5	**209,202,939**	**210,033,886**	**240,308,196**
		900,064,564	**598,606,515**	**517,884,664**
Working capital changes:				
Inventories		**(50,190,667)**	**(12,173,622)**	**(23,078,446)**
Accounts receivable and prepayments		**(347,785,989)**	**(77,752,110)**	**169,783,219**
Amounts due from related parties		**(80,804,191)**	**(182,919,421)**	**171,804,245**
Accounts payable and accruals		**61,140,717**	**(24,055,558)**	**1,048,159**
Amounts due to related parties		**15,010,694**	**11,940,913**	**(314,991,929)**
Cash generated from operations		**497,435,128**	**313,646,717**	**522,449,912**
Employees' end of service benefits paid	13	**(14,585,578)**	**(10,960,985)**	**(12,134,361)**
Finance costs paid		**(155,189,622)**	**(139,821,737)**	**(199,109,477)**
Net cash flows from operating activities		**327,659,928**	**162,863,995**	**311,206,074**
INVESTING ACTIVITIES				
Additions to property and equipment	7(a)	**(68,079,009)**	**(35,454,366)**	**(46,736,672)**
Additions to intangible assets	7(b)	**(83,350)**	**(1,719,750)**	**(589,757)**
Additions to capital work in progress	8	**(17,577,082)**	**(252,770,089)**	**(419,403,715)**
Movements in long term deposits		**379,994**	**14,250**	**643,489**
Amounts due from related parties		**78,755,751**	**130,268,590**	**(10,387,334)**
Net movements in fixed deposits		**-**	**10,304,167**	**(10,304,167)**
Net movements in restricted cash		**4,150,000**	**-**	**-**
Dividend income received from associates, net of investments	20	**14,000,000**	**4,710,000**	**2,654,827**
Net cash flows from (used in) investing activities		**11,546,304**	**(144,647,198)**	**(484,123,329)**
FINANCING ACTIVITIES				
Issuance of share capital		**-**	**734,000**	**-**
Net movements in shareholder's account and contribution		**8,628,703**	**93,413,704**	**45,082,244**
Payment of principal portion of lease liabilities	16	**(135,982,458)**	**(102,106,182)**	**(126,541,575)**
Additional contribution from non-controlling interest		**150,000**	**-**	**300,000**
Net movements in margin account		**2,206,899**	**7,651,656**	**25,901,592**
Interest bearing loans and borrowings drawdown		**151,181,258**	**110,917,735**	**771,020,218**
Repayments of interest bearing loans and borrowings		**(270,198,697)**	**(156,552,205)**	**(547,062,042)**
Net cash flows (used in) from financing activities		**(244,014,295)**	**(45,941,292)**	**168,700,437**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**95,191,937**	**(27,724,495)**	**(4,216,818)**
Cash and cash equivalents at 1 January		**(56,034,676)**	**(28,310,181)**	**(24,093,363)**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11	**39,157,261**	**(56,034,676)**	**(28,310,181)**

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

1 ACTIVITIES

Burjeel Holdings PVT. Limited (the "Company" or the "Parent") is registered as a special purpose vehicle in Abu Dhabi Global Market (ADGM) under license number 000003466 as a Private Company Limited by Shares. The Company was incorporated on 7 January 2020 (the "inception date"). The registered address of the Company is 2427 Resco, Work 03, Sila Tower, Abu Dhabi Global Market Square, Maryah Island, Abu Dhabi, United Arab Emirates. The Company and its subsidiaries are collectively referred to as the Group (the "Group").

The principal activity of the Company is to act as a holding company for the entities within the Group. The principal activities of the subsidiaries are to provide multi-speciality hospitals, medical, surgical and dental services and sale of pharmaceutical goods and medical equipment.

The Company is wholly owned and controlled by VPS Healthcare Holdings PVT. LTD, an entity registered as a special purpose vehicle in Abu Dhabi Global Market (ADGM) under license number 000003462 as a Private Company Limited by Shares. The Company is ultimately owned by Dr. Shamsheer Vayalil Parambath (hereinafter referred as the "Owner, the "Director" or the Shareholder").

These consolidated financial statements, as of and for the year ended 31 December 2021, are the first set of consolidated financial statements for the Company, together with the comparative information as of and for the years ended 31 December 2020 and 31 December 2019.

The consolidated financial statements were authorised for issue on 29 June 2022 by the Director.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

A fundamental principle of the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) is the assumption that an entity will continue in existence as a going concern, which contemplates continuity of operations and the realisation of assets and settlement of liabilities occurring in the ordinary course of business. This principle is applicable to all entities except for entities in liquidation or entities for which liquidation appears imminent. In accordance with this requirement, the Company's management has prepared the consolidated financial statements on a going concern basis notwithstanding the accumulated losses of AED 192,832,640 of 31 December 2021.

During the year ended 31 December 2021 the Group generated net cash from operating activities of AED 327,659,928 and the Group is expected to continue to generate positive cash flow from operating activities. The Group did not include any adjustments to the consolidated financial statements to reflect the possible future effects that may result from this current financial position to its ability to continue as a going concern because the management believes that the financial position as of 31 December 2021 and the business plans for the future are reasonable and appropriate to address the conditions discussed above.

Management has prepared a base case budget and strategic plan covering the next three financial years which encompass estimates and applied assumptions that are critical to the outcome of the Group's going concern assessment. These forecasts were prepared in conjunction with an assessment of the Group's liquidity. Management has considered all available information about the future that was obtained after the reporting date, up until the date of which the financial statements are issued in their assessment of going concern. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on the going concern basis as the management believes that the Group will continue to be in operation in the foreseeable future.

2.2 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable provision of the Companies Regulations 2020 of Abu Dhabi Global Market (ADGM).

The financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company.

The consolidated financial statements are prepared under the historical cost basis except for derivative financial instruments which are carried at fair value.

2.3 IMPACT OF NOVEL CORONAVIRUS (COVID-19)

The COVID-19 pandemic has had a significant impact on the global economy and on the markets in which the Group operates. The severity and duration of the impact of the COVID-19 pandemic and its economic aftermath on all businesses, including Group, remains uncertain. National lockdowns were implemented during March 2020 in each country in which the Group operates, imposing restrictions on the Group's ability to perform elective surgery and outpatient activities.

The management believes that the COVID- 19 has not impacted its operations for the years ended 31 December 2021 and 31 December 2020, however, these COVID-19 developments could impact future financial results, cash flows and financial condition of the Group. The Group is monitoring the evolution of the COVID-19 pandemic and will continue to assess further impacts going forward.

2.4 BASIS OF PREPARATION

The Owner has entered into a Framework and Share Purchase Agreement ("FSPA") dated 28 March 2022 for the transfer of shares (the shares), relating to the entities listed in Note 2.7 to the consolidated financial statements (the 'Entities'), that are beneficially owned and controlled by the Owner. As per the FSPA, the Owner has transferred the entire economic interest in the Entities to the Company and Burjeel Management PVT. Ltd (the "Intermediate Holdco"), an entity wholly owned by the Company. Thereby, the Company holds 98% of the transferred shares and the remaining 2% is held by the Intermediate Holdco.

The aforementioned transfer of shares to the Company will be a common control transaction as the Entities will continue to be controlled by the Owner before and after the reorganisation. Therefore, this reorganisation is considered to be outside the scope of IFRS 3 Business Combinations. The Company has applied the pooling of interest method of accounting for the reorganisation.

Accordingly, for the purpose of this consolidated financial statements:

- The assets and liabilities of the Entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition that would otherwise be recognised under the acquisition method.
- No goodwill is recognised as a result of the consolidation. Any difference between the consideration transferred and the acquired net assets is reflected within equity.
- The statement of comprehensive income reflects the results of the Entities.

These consolidated financial statements have been prepared as of and for the years ended 31 December 2021, 31 December 2020 and 31 December 2019, as if the Company and the Entities were always consolidated.

2.4 BASIS OF PREPARATION continued

The basic principle of accounting for business combinations under common control using the pooling of interest method is that the structure of ownership is discretionary, and any reorganisation thereof is without economic substance from the perspective of the controlling party. The pooling of interest method is considered to involve the combining parties being presented as if they had always been combined. To this effect, the Company accounts for the transaction from the beginning of the period in which the combination occurs (irrespective of its actual date) and restates comparatives to include all combining entities.

The Company has restated the periods prior to the business combination under common control, to the extent that the combining parties were under common control of the same controlling party (retrospective approach). The financial information in the consolidated financial statements is restated for periods prior to the combination, to reflect the combination as if it had occurred from the beginning of the earliest period presented.

The concept of pooling generally is based on the premise of a continuation of the combining entities. Consistently, the pre–combination equity composition and history associated with the assets and liabilities would be carried forward upon the combination. In the consolidated financial statements of the Group:

- the share capital of the individual entities that are combined are reflected as shareholders' contribution;
- the shareholders' account of the individual entities that are combined are reflected under 'shareholders' account';
- the retained earnings or the accumulated losses of the individual entities that are combined are reflected under 'accumulated losses'; and
- the statutory reserves of the individual entities that are combined are reflected as 'other reserves'

2.5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year, except for the following new standards, interpretations and amendments effective as of 1 January 2021 and 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments include the following practical expedients:
  - A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
  - Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
  - Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
- Amendments to IFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021.
- Amendments to IFRS 3: Definition of a Business
- Amendments to IAS 1 and IAS 8: Definition of Material
- Conceptual Framework for Financial Reporting issued on 29 March 2018

The adoption of above standards and amendments did not have any significant impact on the consolidated financial statements of the Group.

2.5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS continued

Amendments to IFRS 16: Covid-19 Related Rent Concessions
The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. Certain subsidiaries of the Group have applied practical expedient to all rent concessions that meet the following conditions:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

Total amount recognised in consolidated statement of comprehensive income to reflect changes in lease payments that arise from such rent concessions to which the subsidiaries have applied the practical expedient is disclosed in (note 16). The Group has accounted for the rent concession as a negative variable lease payment.

2.6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, as of 31 December 2021 are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts;
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiaries as a first-time adopter;
- IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities;
- IAS 41 Agriculture – Taxation in fair value measurements;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 3: Reference to the Conceptual Framework;
- Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use;
- Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract;
- Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

The management is currently assessing the impact of adopting the above standards and amendments on the Group's consolidated financial statements in the period of their initial application. The Group intends to adopt these standards, if applicable, when they become effective.

2.7 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

2.7 BASIS OF CONSOLIDATION continued

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group 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 into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

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, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

2.7 BASIS OF CONSOLIDATION continued

Details of the Company's significant subsidiaries are as follows:

Name of subsidiaries	*Beneficiary ownership percentage*	*Place of incorporation*	*Principal activities*
List of operating entities			
Burjeel Hospital LLC	100%	UAE	Health care services
Burjeel Hospital Pharmacy LLC	100%	UAE	Health care services
Burjeel Farha Hospital L.L.C	100%	UAE	Health care services
Burjeel Day Surgery Centre LLC	100%	UAE	Health care services
Burjeel Alreem Pharmacy LLC	100%	UAE	Health care services
Burjeel Medical City LLC	100%	UAE	Health care services
Burjeel Medical City Pharmacy LLC	100%	UAE	Health care services
Burjeel Medical Centre LLC	100%	UAE	Health care services
Burjeel Medical Centre Al Shamkha LLC	100%	UAE	Health care services
Burjeel Pharmacy Al Shamkha LLC	100%	UAE	Health care services
Burjeel Medical Centre Al Zeina LLC	100%	UAE	Health care services
Burjeel Home Care Services LLC	100%	UAE	Health care services
Burjeel Pharmacy Al Marina LLC	100%	UAE	Health care services
Burjeel Oasis Medical Centre LLC	100%	UAE	Health care services
Burjeel Pharmacy LLC	100%	UAE	Health care services
Burjeel Royal Hospital LLC	100%	UAE	Health care services
Burjeel Royal Pharmacy LLC	100%	UAE	Health care services
Burjeel Medical Centre Barari LLC	100%	UAE	Health care services
Burjeel Pharmacy Barari Mall LLC	100%	UAE	Health care services
Burjeel Pharmacy Al Dhafra LLC	100%	UAE	Health care services
Burjeel Hospital for Advanced Surgery LLC	100%	UAE	Health care services
Burjeel Specialty Hospital LLC	100%	UAE	Health care services
Claims Care Revenue Cycle Management Office LLC	100%	UAE	Provision of group services within the Group
LLH Hospital LLC	100%	UAE	Health care services
LLH Hospital Pharmacy LLC	100%	UAE	Health care services
LLH Hospital Al Musaffah LLC	100%	UAE	Health care services
LLH Hospital Pharmacy Al Musaffah LLC	100%	UAE	Health care services
LLH Medical Centre Al Musaffah LLC	100%	UAE	Health care services
LLH Medical Centre LLC	100%	UAE	Health care services
LLH Pharmacy Al Musaffah LLC	100%	UAE	Health care services
Lifecare Hospital LLC	50%	UAE	Health care services
LLH Pharmacy LLC	100%	UAE	Health care services
Lifecare International Pharmacy LLC	50%	UAE	Health care services
Lifecare Clinic LLC	50%	UAE	Health care services
Lifecare Medical Centre LLC	50%	UAE	Health care services
Lifeline Drug Store LLC	100%	UAE	Procurement
I Med IT Solutions LLC	100%	UAE	Provision of group services within the Group
Medeor 24x7 Hospital LLC	100%	UAE	Health care services
Medeor 24x7 Pharmacy LLC	100%	UAE	Health care services
Medeor International Pharmacy LLC	100%	UAE	Health care services
Medeor 24x7 Hospital LLC	100%	UAE	Health care services
Marina Health Promotion Center LLC	100%	UAE	Health care services

2.7 BASIS OF CONSOLIDATION continued

Name of subsidiaries	*Beneficiary ownership percentage*	*Place of incorporation*	*Principal activities*
List of operating entities continued			
Tajmeel Cosmo Clinic LLC	100%	UAE	Health care services
Tajmeel Royal Clinic LLC	100%	UAE	Health care services
Tajmeel Royal Pharmacy LLC	100%	UAE	Health care services
Tajmeel Kids Park Medical Centre LLC	100%	UAE	Health care services
Tajmeel Specialized Medical Centre LLC	100%	UAE	Health care services
Tajmeel Royal Dental Clinic LLC	100%	UAE	Health care services
VPS Drug Store LLC	100%	UAE	Procurement
Unique Valet Parking	100%	UAE	Valet Parking Services
Lifeline Hospital LLC	100%	Oman	Health care services
Dynamed Healthcare Solutions Pvt Ltd	100%	India	Provision of group services within the Group
List of dormant entities*			
Burjeel Dental Laboratory LLC	100%	UAE	Teeth Manufacturing & Compensation Lab
Burjeel Cancer Institute LLC	100%	UAE	Cancer Diseases Surgery
Burjeel IVF Centre LLC	100%	UAE	Health care services
Burjeel Darak Management LLC	100%	UAE	Management Office
Burjeel Quick Clinic L.L.C	100%	UAE	Health care services
Burjeel Judiciary Medical Centre LLC	100%	UAE	Health care services
Burjeel Judiciary Pharmacy LLC	100%	UAE	Health care services
Burjeel Management PVT. Limited	100%	UAE	Intermediary Holding Company
Burjeel Pharmacy Forsan Central Mall LLC	100%	UAE	Health care services
Co Lab Services LLC	100%	UAE	Medical Analysis
Co Rad Services LLC	100%	UAE	X-Ray Diagnosis
LLH Mobile Clinic LLC	100%	UAE	Mobile Medical Services
LLH Mobile Medical Unit LLC	100%	UAE	Mobile Medical Services
LLH Mammography Unit LLC	100%	UAE	X-Ray Diagnosis
LLH Clinic LLC	100%	UAE	Health care services
VPS Investments and Property	100%	UAE	Real Estate Lease & Management Services
List of associates			
First IVF Fertility Centre LLC	30%	UAE	Health care services
International Knee & Joint Centre LLC	40%	UAE	Health care services

98% of the beneficial ownership of the above subsidiaries are owned by the Company and 2% is owned by the Intermediate Holdco which is a 100% subsidiary of the Company.

* These entities have not yet carried out any business or commercial operations from the date of their incorporation until the reporting date.

2.8 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgments

Determining the lease term of contracts with renewal and termination options – the Group as lessee

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. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group typically exercises its option to renew for these leases because on the previous experience and the future intention of the management to continue, significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of hospital, medical centres and stores with longer lease periods (i.e., >5-10 years) are not included as part of the extended lease term as these are not reasonably certain to be exercised.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Identifying performance obligations

At inception of the contract with customers, the Group assesses the performance obligations embedded in the contracts. Based on the assessment, the Group has concluded that sale of goods and healthcare services is generally expected to be the performance obligation. Management considers other incidental services are integral part of healthcare services and not capable of being distinct in the context of contract with the customers. There are no other performance obligations or benefits derived by the customers from the contracts.

Determining method to estimate variable consideration and assessing the constraint

The contracts for the sale of goods include a right of return and discounts that give rise to variable consideration, primarily relating to pharmacy business. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

2.8 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Judgments continued
Determining transaction price and allocation
The Group considers the terms of the contract and its customary business practices to 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 services to a customer. The Group assesses whether, the services are distinct or capable of being distinct within the content of the contracts. The Group has concluded that the services are substantially the same and have the same pattern of transfer to the customers.

Some contracts include disallowances for medical and non-medical reasons. As these transaction prices are not deemed to be collectible the transaction price must be allocated to the performance obligations on a relative stand-alone collectible basis. Management estimates the stand-alone selling price at contract inception based on observable prices likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

Transfer of control in contracts with customers
In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

Consideration of significant financing component in a contract
Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group concluded that there is no significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of goods to the customer.

Principal versus agent considerations (judgement relating to revenue recognition)
The Group enters into contracts with its customers for supply of goods and services. The Group determined that it controls the goods and services before they are transferred to customers, and it has the ability to direct the use of the or obtain benefits from the good or services. The following factors indicate that the Group controls the goods before they are being transferred to customers. Therefore, the Group determined that it is a principle in all its revenue arrangements.

- The Group is primarily responsible for fulfilling the promise to provide the specified goods or services.
- The Group has inventory risk before the specified goods has been transferred to the customers.
- The Group has discretion in establishing the price for the specified goods or services.
- The Group is exposed to all the credit risks associated with the revenue arrangement.

Also, each contractual arrangement with individual doctors is assessed against specific criteria to determine whether the Group is acting as principal or agent in the arrangement with these doctors. The Group has determined that it is acting as Principal in these arrangements if it has the responsibility for providing the medical services to the patient, it acts as the primary obligator and it bears the risk of providing the medical service.

Consolidation of subsidiaries, including in entities in which the Group holds 50% of the beneficial ownership
The Group has evaluated all the investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 Consolidated Financial Statements. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

2.8 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Judgments continued
Consolidation of subsidiaries, including in entities in which the Group holds 50% of the beneficial ownership continued
The Group considers that it controls certain entities with a beneficial holding of 50% (as mentioned in note 2.7) even though it owns only 50% of the voting rights. The Group has majority of representation on the investee's management and the Group's approves for all major operational decisions. The operations are carried out solely for the benefit of the Group. The Group has existing rights that give the current ability to direct the relevant activities of the investee that significantly affect the returns of the investee. The general manager, who is responsible for managing the affairs of the investee, is appointed by the Group.

Going concern
Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on the going concern basis.

Use of estimates and assumptions
The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Group's results of operations, consolidated financial positions and cash flows.

Impairment of inventories
Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date gross inventories were AED 207,308,714 (2020: AED 157,118,047 and 2019: AED 144,944,425) with no provision for slow moving or obsolete items (2020: nil and 2019: nil). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Estimated useful lives of property and equipment
The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. The cost of property and equipment is depreciated over the estimated useful life, which is based on the expected usage of the asset, expected physical wear and tear, and the repairs and maintenance program and the residual value. The Group reviews the estimated useful lives of property and equipment at the end of each annual reporting period and any changes to the estimated useful life is adjusted prospectively. The residual values have not been considered as they are deemed immaterial.

Useful lives of right of use assets
The Group's management determines the estimated useful lives of its right-of- use assets for calculating amortisation. The cost of right of use assets are amortised over the estimated useful lives of the assets, which is based on shorter of the lease term and the estimated useful lives of the assets. The Group reviews the estimated useful lives of right of use assets at the end of each annual reporting period. Any change in the lease term or pattern of consumption of these assets are adjusted prospectively.

2.8 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Use of estimates and assumptions continued

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating units being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets.

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

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Recoverability of amounts due from related parties

Management believes that the amounts due from related parties are fully recoverable and no provision for credit loss is to be recognised against these balances as the Owner intends to settle the gross amounts due from balance of related parties as at 31 December 2021 amounting to AED 1,595,991,492 from the proceeds of a future initial public offering. Management expects to realise these due from related parties within twelve months after the reporting date.

2.8 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Use of estimates and assumptions continued

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for employees' end of service benefits

An actuarial valuation is not considered necessary by management in respect of employees' end of service benefits as the net impact of the discount rate and future salary and benefits level on the present value of the benefits obligation are not expected to be significant.

Rejections on medical services

In the Middle East, the normal business process associated with transactions with insurers includes an amount of claims disallowed which is not paid by the insurer. These rejected claims could be for various technical or medical reasons. Accordingly, the healthcare entities within the Group accept and expect an amount of consideration that is less than what was originally invoiced. These write-offs constitute variable consideration under IFRS 15. Variable consideration is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur. Under IFRS 15, these rejected claims are recognised as part of revenue (decreasing the revenue recognised).

Acquisition of entities under common control (accounting for business combinations involving entities or business under common control)

For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. No goodwill is recognised as a result of the combination. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the equity 'acquired' is reflected within the equity. The components of the equity of the acquired entities are added to the same components within Group entity. The Group has chosen to apply pooling of interest retrospectively as if combining entities being presented had always been combined. Accordingly, the consolidated financial statements are restated for prior periods to reflect the combination as if it had occurred from the beginning of the earliest period presented.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in associates
An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. Goodwill relating to the associate is included in the carrying amount of the investment and is assessed for impairment as part of the investment Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of comprehensive income.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of the associate is shown on the face of the consolidated statement of comprehensive income outside operating profit.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. The impairment loss is then recognised as 'Share of losses of joint ventures' in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of comprehensive income.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Revenue from contract with customers
The Group is mainly engaged in providing medical, healthcare and polyclinic services and sale of medicines.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, historical collections, rejection rates and excluding taxes and duty. Revenue is recognised to the extent that 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 assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue from contract with customers continued
The Group provides inpatient and outpatient services. Revenue from providing services is recognised in the accounting period in which the services are rendered. The fees for services include charges for doctors' consultancy fees, room rent, radiology, laboratory, and pharmaceutical items used. Revenues are measured at the transaction price which is the amount of consideration that the Group expects to be entitled to in exchange for the services provided. A performance obligation is a promise to transfer distinct goods and services to a customer. Hospital services provided to patients are regarded as a bundle of services which comprise accommodation, meals, theatre time, use of equipment, pharmacy stock and nursing services. This is considered to be a single performance obligation as the medical procedures cannot be performed without one of the above elements. Revenue is recorded during the period in which the hospital service is provided and is based on the amounts due from patients and/or medical insurers. Fees are calculated and billed based on various tariff agreements with insurers/customers.

Normal business process associated with transactions with insurers includes an amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Disallowance write-offs on rejected claims is a general practice by the insurers in the Middle East. Accordingly, the Group expects an amount of consideration that is less than what was originally invoiced. These write-offs constitute variable consideration under IFRS 15. Variable consideration is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

The Group does not expect to have any contracts where the period between the transfer of the promised service to the patient and the payment by the patient exceeds one year. Consequently, the Group does not adjust any of the transaction prices for time value of money.

Sale of goods – pharmacy
The Group operates a chain of pharmacies selling medical inventories. Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the medical inventories and takes delivery in a store, at which the right to consideration becomes unconditional.

i). Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Certain contracts with customers provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

Sale contracts provide a customer with a right to return the goods within a specified period. The Group uses the 'expected value method' to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of goods sold) is also recognised for the right to recover products from a customer. However, considering the historical experience and pattern of subsequent returns, which were not significant, the Group has not recognised a refund liability and right to recover/return assets.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue from contract with customers continued

(ii) Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group does not receive any long terms advances from customers in relation to its revenue arrangements.

(iii) Non-cash consideration

The Group does not receive any non-cash considerations.

Rental income
Rental income is recognised on a straight-line basis over the term of the lease and presented as part of revenue due to its operating nature. The Group does not transfer substantially all the risks and rewards incidental to ownership of the asset leased out and accordingly these lease contracts are classified as operating leases. Contingent rents are recognised as revenue in the period in which they are earned.

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 the consolidated statement of comprehensive income in the year in which they are incurred.

Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on property and equipment at the following rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life:

Buildings	50 years
Leasehold improvements	4 – 20 years
Medical equipments	7 – 12 years
Furniture and fixtures	2 – 10 years
Computer and office equipments	4 – 5 years
Motor vehicles	4 – 5 years

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property and equipment in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Capital work-in-progress
Capital work-in-progress is stated at cost less impairment and includes property and equipment that is being developed for future use. Capital work-in-progress is not depreciated, however, tested for impairment when indicator exists. Allocated costs along with borrowing costs directly attributable to the construction of the asset are capitalised. Cost of capital work-in-progress represents the purchase price or cost of service required to complete an asset.

The capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and commissioned.

Intangible assets
Intangible assets are mainly computer software licenses and implementation costs and are stated at cost less accumulated amortisation and any impairment in value. Intangible assets include computer software licenses, configuration and implementation costs. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The average useful lives of the intangible assets are assessed to be between 4 to 10 years.

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i). Financial assets

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

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

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i). Financial assets continued

Initial recognition and measurement continued
In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- 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.

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

The Group's financial assets at amortised cost includes bank balances and cash, accounts and other receivables, long term deposits and amounts due from related parties.

The Group does not have any financial assets at fair value through OCI or financial assets carried at fair value through profit or loss.

Cash and cash equivalents
Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand, margin deposits and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management and excludes any balances provided as security and not available for the Group's use.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

i). Financial assets continued

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Group applies a simplified approach in calculating ECLs as these financial assets do not contain significant financing component and usually have a maturity of one year or less. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting date. The Group has established default rates that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment.

The Group considers a financial asset in default when contractual payments are 300 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings, lease liabilities, bank overdrafts, derivative financial instruments, amounts due to related parties, accounts payable and accruals.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement comprehensive income.

This category generally applies to loans and borrowings, lease liabilities, bank overdrafts, amounts due to related parties, accounts payable and accruals.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities at fair value through profit or loss are recognised in the statement of comprehensive income under finance costs. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

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

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

Derivative financial instruments
Derivatives are classified as derivative financial instrument unless they are designated as effective hedging instruments or financial guarantee contract. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. Derivative financial instruments are carried in the statement of financial position at fair value reflecting changes in interest rates. The gains or losses arising from changes in fair values are recognised in the income statement unless the derivative is designated as a net investment hedge or effective portion of cash flow hedges, which is recognised in other comprehensive income. If the fair value of the derivative is positive it is classified as an asset, if the fair value of the derivative is negative it is classified as a liability.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments continued
The Group also uses interest rate caps and swaps to manage its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments consist of profit rate swaps and are measured at the present value of estimated future cash flows and discounted based on the applicable yield curves derived from quoted interest rates. Based on the degree to which the fair value is observable, the profit rate swaps are grouped as level 2 in the fair value hierarchy.

Current versus non-current classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Inventories
Inventories are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Costs are those expenses incurred in bringing each product to its present location and condition and are determined on a weighted average basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees in United Arab Emirates and Oman. The entitlement to these benefits is usually 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.

Pension contributions are made in respect of UAE national employees in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to the profit or loss during the employee's period of service.

End of service benefit for Omani employees are contributed in accordance with the terms of the Social Securities Law 1991 and Civil Service Employees Pension Fund Law.

In accordance with the provisions of IAS 19, Employee Benefits, management carries out an exercise to assess the present value of the Group's obligations as of the reporting date, in respect of employees' end of service benefits payable to determine whether it is not materially different from the provision made.

Under this method, an assessment is made of an employee's expected service period with the Group and the expected basic salary at the date of leaving the service, discounted over the period of remaining expected period using US Treasury bond and the country's risk-free rate.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain, The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Foreign currency translations
The consolidated financial statements are presented in AED which is the functional currency of the Company, Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction, Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets
and liabilities of the foreign operation and translated at the closing rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

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

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

Right of use assets are depreciated on a straight-line basis over the lease term as follows:

Land	51 years
Buildings	5 to 25 years

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued
The Group as a lessee continued

i). Right of use assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Taxes
Current income tax
Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxes continued
Current income tax continued
Oman
Lifeline Hospital LLC, the subsidiary in Oman has a tax exemption granted up to 26 November 2016. The carried forward tax losses amounting to AED 68,425,993 (Riyal Omani 7,172,536) from the date of establishment to 26 November 2016 are eligible for set off against future taxable income without expiry.

The tax rate applicable to the company is 15% (2020 & 2019: 15%). For the purpose of determining the taxable result for the year, the accounting loss has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The subsidiary in Oman has taxable loss for the year. Therefore, the applicable tax rate is nil (2020 and 2019 : nil). The average effective tax rate cannot be determined in view of the taxable loss.

The subsidiary in Oman has declared and estimated tax losses available for offset against future taxable profits as follows:

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
2011 (assessed)	**3,235,300**	3,235,300	3,235,300
2012 (assessed)	**7,008,895**	7,008,895	7,008,895
2013 (assessed)	**4,967,421**	4,967,421	4,967,421
2014 (assessed)	**9,108,706**	9,108,706	9,108,706
2015 (assessed)	**5,686,355**	5,686,355	5,686,355
2016 (assessed)	**38,419,316**	38,419,316	38,419,316
2017 (assessed)	**48,577,632**	48,577,632	48,577,632
2018 (assessed)	**40,641,430**	40,641,430	40,641,430
2019 (assessed)	**20,562,955**	20,562,955	-
2020 (declared)	**13,882,875**	13,882,875	-
2021 (estimated)	**7,055,336**	-	-
	199,146,221	192,090,885	157,645,055

No deferred tax asset on the carried forward losses has been recognised in these consolidated financial statements due to uncertainty regarding availability of future taxable profits. The tax assessments were issued by the taxation authorities up to the year 2019.

India
Dynamed Healthcare Solutions Pvt Ltd, the subsidiary in India was incorporated on 18 August 2017 at Infopark Special Economic Zone (Phase-II) in Kochi, State of Kerala and it is subject to the provisions of the Special Economic Zone Act, 2005. The subsidiary in India has 100% income tax exemption on export income for Special Economic Zone units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. Dynamed Healthcare Solutions Pvt Ltd provides services to Group Entities in Middle East and therefore, its income is being generated from export revenue. Dynamed Healthcare Solutions Pvt Ltd is still under the tax exemption phase therefore, no provision has been recognised.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxes continued
Current income tax continued

India continued
Deferred income tax
Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates as at the consolidated reporting date that are anticipated to apply to taxable income in the years in which temporary differences are anticipated to be recovered or settled. Changes to these balances are recognized in the consolidated statement of profit or loss or in other comprehensive income in the year they occur.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (“VAT”)
Revenue, expenses and assets are recognised net of the amount of VAT, except:

1- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
2- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

3 REVENUE

3.1 Types of revenue

	Years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Clinic revenue	**3,258,024,198**	2,498,249,383	2,264,302,791
Pharmacy sales	**57,926,216**	43,922,478	47,324,306
Other operating income	**28,009,878**	58,690,475	104,308,023
Revenue from contracts with customers	**3,343,960,292**	2,600,862,336	2,415,935,120
Rental income	**7,030,942**	4,320,188	4,590,195
	3,350,991,234	2,605,182,524	2,420,525,315

3.2 Revenue from contracts with customers – timing of recognition

Out patient – services rendered at the point in time	**2,171,350,097**	1,680,948,627	1,555,352,465
In patient – services rendered over the time	**1,086,674,101**	817,300,756	708,950,326
Pharmacy – services rendered at the point in time	**57,926,216**	43,922,478	47,324,306
Other operating income – services rendered at the point in time	**28,009,878**	58,690,475	104,308,023
	3,343,960,292	2,600,862,336	2,415,935,120

3.3 Revenue from contracts with customers by geographical markets

	Years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
United Arab Emirates	**3,151,138,051**	2,451,191,053	2,279,626,122
Sultanate of Oman	**192,822,241**	149,671,283	136,308,998
	3,343,960,292	2,600,862,336	2,415,935,120

3.4 Revenue from contracts with customers by asset type

Hospitals	**2,913,289,538**	2,241,349,231	2,007,900,689
Medical centres	**344,734,660**	256,900,152	256,402,102
Pharmacies	**57,926,216**	43,922,478	47,324,306
Others	**28,009,878**	58,690,475	104,308,023
	3,343,960,292	2,600,862,336	2,415,935,120

3 REVENUE continued

Performance obligations
The performance obligation is satisfied based on the nature of medical services or upon delivery of the medical goods or supplies in case of pharmacy items. Certain contracts for the sale of pharmacy items provide customers with a right of return. However, the sales returns are negligible as compared to the gross revenue for the sale of pharmacy items. Based on the analysis of the historical data and experience, sales return is estimated to be less than 0.05% of the total sales made during a financial year. Considering that the sales returns of the Group are not significant, the Group has not recorded a refund liability and a right of return asset for anticipated sales returns as of the reporting dates.

In the Middle East, the normal business process associated with transactions with insurers includes an amount of claims disallowed which is not paid by the insurer. These rejected claims could be for various technical or medical reasons. Accordingly, the healthcare entities within the Group expect an amount of consideration that is less than what was originally invoiced. These rejections constitute variable consideration under IFRS 15. Variable consideration is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur. Under IFRS 15, these rejected claims are recognised as part of revenue (decreasing the revenue recognised).

Rental income
The rental income received from external parties during the year from the letting of excess or unused spaces in the hospitals and medical centres. Rental income is based on individual lease agreements with a committed lease term of 1 year or less. Therefore, these are categorised as short-term leases.

There are no unsatisfied performance obligations as of the reporting dates; therefore, there are no transaction prices that are required to be allocated over the remaining or unsatisfied performance obligations.

4 DOCTORS' AND EMPLOYEES' SALARIES AND BENEFITS

	Years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Doctors' and employees' salaries and emoluments	**1,213,490,005**	997,859,873	949,462,564
Staff accommodation costs	**27,308,624**	30,166,439	21,268,637
Employees' end of service benefits (note 13)	**30,343,510**	25,373,282	18,230,756
Employees' insurance costs	**22,515,797**	19,246,753	687,424
Others	**79,442,019**	68,149,235	132,390,371
	1,373,099,955	1,140,795,582	1,122,039,752

5 FINANCE COSTS

	Years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Interest on loans and borrowings	**142,394,372**	137,960,786	165,531,208
Interest expense on lease liabilities (note 16)	**56,879,905**	59,694,091	58,738,070
Facility renewal fee	**2,887,053**	4,444,708	1,787,504
Interest on bank overdrafts	**4,774,196**	7,019,245	6,958,621
Interest on bills discounted	**2,267,413**	915,056	7,292,793
	209,202,939	210,033,886	240,308,196

6 OTHER EXPENSES

	Years ended 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Marketing expenses	**55,498,740**	**47,696,708**	**37,681,097**
Housekeeping and hospitality expenses	**62,207,685**	**49,372,776**	**43,335,617**
Repair and maintenance costs	**52,726,849**	**43,978,297**	**35,977,395**
Legal and professional expenses	**25,456,531**	**21,399,344**	**15,476,890**
Security charges	**13,260,708**	**10,230,773**	**6,742,212**
Corporate charges (note 17)	**30,000,000**	**8,988,573**	**8,702,168**
Transportation expenses	**7,250,524**	**5,905,921**	**7,879,689**
Printing and stationery	**6,968,507**	**6,008,851**	**8,579,876**
Credit card commission	**3,866,553**	**2,998,569**	**2,438,743**
Bank charges	**1,480,715**	**1,293,852**	**1,792,929**
Change in fair value of profit rate swaps (note 23)	**(2,497,976)**	**10,518,057**	**20,739,493**
Miscellaneous expenses	**36,828,217**	**30,440,409**	**33,616,469**
	293,047,053	**238,832,130**	**222,962,578**

7(a) PROPERTY AND EQUIPMENT

	Buildings AED	*Leasehold improvements AED*	*Medical equipments AED*	*Furniture and fixtures AED*	*Computer and office equipments AED*	*Motor vehicles AED*	*Total AED*
2021							
Cost:							
At 1 January 2021	746,927,314	1,286,335,116	1,657,478,624	148,433,990	101,464,654	59,780,372	4,000,420,070
Additions	7,718,762	14,916,541	29,902,622	5,858,996	6,247,022	3,435,066	68,079,009
Transfer from capital work in progress (note 8)	-	63,750	78,156,909	-	-	-	78,220,659
At 31 December 2021	**754,646,076**	**1,301,315,407**	**1,765,538,155**	**154,292,986**	**107,711,676**	**63,215,438**	**4,146,719,738**
Accumulated depreciation and:							
At 1 January 2021	3,757,912	423,179,066	1,006,330,410	122,763,936	77,316,264	51,212,063	1,684,559,651
Charge for the year	15,027,096	79,191,539	164,917,868	9,438,979	8,649,125	4,014,892	281,239,499
At 31 December 2021	**18,785,008**	**502,370,605**	**1,171,248,278**	**132,202,915**	**85,965,389**	**55,226,955**	**1,965,799,150**
Net carrying amount:							
At 31 December 2021	**735,861,068**	**798,944,802**	**594,289,877**	**22,090,071**	**21,746,287**	**7,988,483**	**2,180,920,588**

Property and equipment amounting to AED 2,118,873,910 have been pledged as security against Group's loans and borrowings (note 14).

Burjeel Medical City buildings are constructed on land leased from Abu Dhabi Department of Economic Development. Initial period of the lease was 33 years. During 2021, the land lease has been extended perpetually by Abu Dhabi Department of Economic Development.

7(a) PROPERTY AND EQUIPMENT continued

	Buildings AED	*Leasehold improvements AED*	*Medical equipments AED*	*and fixtures AED*	*Furniture and office equipments AED*	*Computer Motor vehicles AED*	*Total AED*
2020							
Cost:							
At 1 January 2020	-	1,094,495,471	1,434,147,404	132,765,904	88,669,965	68,480,019	2,818,558,763
Additions		7,013,982	16,981,895	4,037,142	4,685,764	2,735,583	35,454,366
Disposals	-	-	(805,890)	(174,415)	-	(2,545,888)	(3,526,193)
Transfer to a related party (note 17)	-	-	(970,698)	(155,918)	(516,281)	(9,959,391)	(11,602,288)
Transfer from capital work in progress (note 8)	746,927,314	184,825,663	208,125,913	11,961,277	8,625,206	1,070,049	1,161,535,422
At 31 December 2020	**746,927,314**	**1,286,335,116**	**1,657,478,624**	**148,433,990**	**101,464,654**	**59,780,372**	**4,000,420,070**
Accumulated depreciation:							
At 1 January 2020	-	349,729,486	861,492,560	113,018,283	70,438,467	55,769,423	1,450,448,219
Charge for the year	3,757,912	73,449,580	145,872,956	9,957,898	7,309,724	4,563,714	244,911,784
Related to disposals	-	-	(576,202)	(99,218)	-	(2,531,120)	(3,206,540)
Transfer to related parties	-	-	(458,904)	(113,027)	(431,927)	(6,589,954)	(7,593,812)
At 31 December 2020	**3,757,912**	**423,179,066**	**1,006,330,410**	**122,763,936**	**77,316,264**	**51,212,063**	**1,684,559,651**
Net carrying amount:							
At 31 December 2020	**743,169,402**	**863,156,050**	**651,148,214**	**25,670,054**	**24,148,390**	**8,568,309**	**2,315,860,419**

Property and equipment amounting to AED 2,229,184,394 have been pledged as security against Group's loans and borrowings (note 14).

In 2020, certain properties and equipment with a net book value of AED 4,008,476 were transferred to Response Plus Management Services LLC, a related party (note 17).

Burjeel Medical City buildings are constructed on land leased from the Abu Dhabi Department of Economic Development in Abu Dhabi.

7(a) PROPERTY AND EQUIPMENT continued

	Buildings AED	*Leasehold improvements AED*	*Medical equipments AED*	*Furniture and fixtures AED*	*Computer and office equipments AED*	*Motor vehicles AED*	*Total AED*
2019							
Cost:							
At 1 January 2019 (unaudited)	-	923,033,789	1,322,955,011	127,384,838	82,669,423	67,244,574	2,523,287,635
Additions	-	7,541,707	27,092,883	3,268,095	4,773,797	4,060,190	46,736,672
Disposals	-	-	(1,090,000)	-	-	(2,909,745)	(3,999,745)
Transfer from capital work in progress (note 8)	-	163,919,975	85,189,510	2,112,971	1,226,745	85,000	252,534,201
At 31 December 2019	**-**	**1,094,495,471**	**1,434,147,404**	**132,765,904**	**88,669,965**	**68,480,019**	**2,818,558,763**
Accumulated depreciation:							
At 1 January 2019 (unaudited)	-	283,773,514	707,549,343	97,854,973	60,982,345	50,126,840	1,200,287,015
Charge for the year	-	65,955,972	154,462,265	15,163,310	9,456,122	7,630,535	252,668,204
Related to disposals	-	-	(519,048)	-	-	(1,987,952)	(2,507,000)
At 31 December 2019	**-**	**349,729,486**	**861,492,560**	**113,018,283**	**70,438,467**	**55,769,423**	**1,450,448,219**
Net carrying amount:							
At 31 December 2019	**-**	**744,765,985**	**572,654,844**	**19,747,621**	**18,231,498**	**12,710,596**	**1,368,110,544**

Property and equipment (including capital work in progress) amounting to AED 2,249,472,641 have been pledged as security against Group’s loans and borrowings (note 14).

7(b) INTANGIBLE ASSETS

	2021 *AED*	*2020* *AED*	*2019* *AED*
Cost:			
At 1 January	**58,068,362**	51,821,319	47,731,562
Additions	**83,350**	1,719,750	589,757
Transfers from capital work in progress (note 8)	**-**	4,527,293	3,500,000
At 31 December	**58,151,712**	58,068,362	51,821,319
Accumulated amortisation:			
At 1 January	**44,624,414**	37,540,184	29,139,253
Charge for the year	**5,597,367**	7,084,230	8,400,931
At 31 December	**50,221,781**	44,624,414	37,540,184
Net carrying amount	**7,929,931**	13,443,948	14,281,135

8 CAPITAL WORK IN PROGRESS

	2021 *AED*	*2020* *AED*	*2019* *AED*
Cost:			
At 1 January	**76,968,353**	990,260,979	826,891,465
Additions during the year	**17,577,082**	252,770,089	419,403,715
Transfers to intangible assets (note 7(b))	**-**	(4,527,293)	(3,500,000)
Transfers to property and equipment (note 7(a))	**(78,220,659)**	(1,161,535,422)	(252,534,201)
At 31 December	**16,324,776**	76,968,353	990,260,979

Capital work in progress represents costs for the design, development, procurement and construction of hospitals and medical equipment and other costs including overhead expenses incurred during the development stage directly attributable to the construction of hospitals. During the year ended 31 December 2019, borrowing costs amounting of AED 75,634,738 was capitalised as part of Burjeel Medical City project which was completed in 2020. No borrowing cost was capitalised during the years ended 31 December 2021 and 2020.

These properties are expected to be completed in 2022 to 2023. These include amounts incurred towards architectural, tenant improvement, and interior work, supply and installation. When commissioned, capital work in progress is transferred to the appropriate asset category under property and equipment and depreciated in accordance with the Group's policy.

9 INVENTORIES

	At 31 December		
	2021 *AED*	*2020* *AED*	*2019* *AED*
Pharmaceutical products	**129,781,909**	**81,624,972**	**72,121,580**
Consumables	**77,526,805**	**75,493,075**	**72,822,845**
	207,308,714	**157,118,047**	**144,944,425**

The cost of inventories recognised as an expense and included in consolidated statement of comprehensive income are as follows:

	For the years ended 31 December		
	2021 *AED*	*2020* *AED*	*2019* *AED*
Inventories consumed	**762,548,026**	**611,292,872**	**539,094,094**

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	At 31 December		
	2021 *AED*	*2020* *AED*	*2019* *AED*
Trade receivables, net of provision for expected credit losses	**815,036,570**	**611,850,023**	**626,925,270**
Prepayments	**22,955,290**	**21,013,533**	**24,936,944**
Deposits	**12,733,639**	**26,785,228**	**10,476,231**
Advances and other receivables	**43,357,919**	**27,209,310**	**55,509,901**
	894,083,418	**686,858,094**	**717,848,346**

Trade receivables includes amounts due from insurance companies for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method

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

	2021 *AED*	*2020* *AED*	*2019* *AED*
At 1 January	**531,142,524**	**435,127,393**	**358,232,976**
Charge for the year	**112,798,403**	**108,742,362**	**82,934,469**
Write off during the year	**(989,954)**	**(12,727,231)**	**(6,040,052)**
At 31 December	**642,950,973**	**531,142,524**	**435,127,393**

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS continued

As at 31 December, the ageing analysis of unimpaired trade receivables is as follows:

			Past due but not impaired			
	Total AED	*Neither past due nor impaired AED*	*< 30 days AED*	*31 - 90 days AED*	*91 – 270 days AED*	*> 270 days AED*
2021	**815,036,570**	**534,020,654**	**80,596,601**	**91,969,782**	**90,275,965**	**18,173,568**
2020	**611,850,023**	**355,232,100**	**77,044,213**	**70,867,507**	**59,359,762**	**49,346,441**
2019	**626,925,270**	**414,341,029**	**57,002,687**	**75,099,640**	**50,228,892**	**30,253,022**

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the receivables are therefore, unsecured. Neither past due nor impaired are those receivables which are under review and approval process with the insurance companies. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

11 BANK BALANCES AND CASH

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Cash in hand	**4,042,586**	**1,411,963**	**1,107,233**
Bank balances:			
Current account	**124,440,222**	**109,115,718**	**160,843,761**
Fixed deposits	**2,151,136**	**16,900,806**	**14,614,965**
Margin deposits	**3,181,618**	**5,388,517**	**13,040,173**
Bank balances and cash	**133,815,562**	**132,817,004**	**189,606,132**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

Bank balances and cash	**133,815,562**	**132,817,004**	**189,606,132**
Less: Bank overdrafts (note 14)	**(91,476,683)**	**(179,313,163)**	**(190,421,973)**
Less: Fixed deposits with an original maturity of more than three months	**-**	**-**	**(10,304,167)**
Less: Restricted cash	**-**	**(4,150,000)**	**(4,150,000)**
Less: Margin deposits	**(3,181,618)**	**(5,388,517)**	**(13,040,173)**
Cash and cash equivalents	**39,157,261**	**(56,034,676)**	**(28,310,181)**

Fixed deposits are kept with local commercial banks in the United Arab Emirates, Oman and India and carry interest at prevailing market rates. Fixed deposits with an original maturity of more than three months are excluded from cash and cash equivalents.

As at 31 December 2020 and 31 December 2019, restricted cash represents fixed deposits under lien with a commercial bank towards Debt Service Reserve Account. This deposit does not carry any interest and is not readily convertible to cash and therefore, excluded from cash and cash equivalents.

11 BANK BALANCES AND CASH continued

Margin deposits are cash guarantees paid to various banks to secure overdraft facilities. These deposits are not liquid and are not readily convertible to cash as they are subordinated to the respective facilities. Therefore, these deposits are excluded from cash and cash equivalents.

The expected credit loss on bank balances is estimated to be immaterial as the Group only deals with reputable banks with good ratings.

12 (a) SHARE CAPITAL

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Authorised, issued and fully paid			
2021: 100 shares of AED 7,340 each	734,000		
2020: 100 shares of AED 7,340 each		734,000	
2019: Nil			-

12 (b) SHAREHOLDER'S ACCOUNT

Shareholder's account represents net amount invested by the Owner in the Group Entities. The Shareholder's account balance is unsecured, interest free, and has no fixed repayment terms. Any repayment of this amount is at the sole discretion of the Company and Group Entities.

12 (c) OTHER RESERVE

Other reserve represents statutory reserve relating to subsidiaries. These reserves are not available for distribution except in such circumstances as specified in the relevant laws and regulations applicable to the respective entities in their country of incorporation.

12 (d) SHAREHOLDER'S CONTRIBUTION

Shareholder's contribution included as part of total equity represents Owner's interest in the share capital of entities listed in Note 2.7 to the consolidated financial statements which are transferred to the Group as disclosed in Note 2.4 – "basis of preparation" to the consolidated financial statements.

13 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits was as follows:

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
At 1 January	**85,585,218**	**71,172,921**	**65,076,526**
Charge for the year (note 4)	**30,343,510**	**25,373,282**	**18,230,756**
Employees' end of service benefits paid	**(14,585,578)**	**(10,960,985)**	**(12,134,361)**
At 31 December	**101,343,150**	**85,585,218**	**71,172,921**

14 INTEREST BEARING LOANS AND BORROWINGS

	At 31 December		
	2021 ***AED***	***2020*** ***AED***	***2019*** ***AED***
Term loans	**2,888,426,321**	**2,924,425,796**	**2,851,360,254**
Ijarah loan	**137,724,585**	**142,412,551**	**142,100,608**
Short-term loans	**97,000,000**	**105,247,471**	**118,112,637**
Bill discounting	**75,755,938**	**144,422,387**	**233,866,529**
Loan for bank guarantees	**2,299,099**	**5,258,910**	**8,463,956**
Vehicle loans	**1,681,490**	**3,093,591**	**4,965,308**
Rent loans	**4,819,471**	**1,863,637**	**13,489,521**
At 31 December	**3,207,706,904**	**3,326,724,343**	**3,372,358,813**

Current and non-current portion of interest-bearing loans and borrowings are as follows:

	At 31 December		
	2021 ***AED***	***2020*** ***AED***	***2019*** ***AED***
Non-current	**2,648,798,249**	**2,570,877,054**	**2,600,175,835**
Current	**558,908,655**	**755,847,289**	**772,182,978**
	3,207,706,904	**3,326,724,343**	**3,372,358,813**
Bank overdrafts (note 11)	**91,476,683**	**179,313,163**	**190,421,973**

Bank overdrafts are obtained from commercial banks in the United Arab Emirates and Sultanate of Oman, repayable on demand and carry interest at EIBOR plus a margin and in certain cases a fixed rate of 5.5% per annum.

14 INTEREST BEARING LOANS AND BORROWINGS continued

Non-current

Group entity name	*Facility*	*Country*	*Bank type*	*Loan maturity year*	*Security*	*At 31 December 2021 AED*	*2020 AED*	*2019 AED*
Burjeel Medical City LLC	Term loan	UAE	Commercial	2026	Corporate and personal guarantee and pledge	**756,702,749**	**787,312,610**	**688,408,189**
Burjeel Hospital LLC	Term loan	UAE	Islamic	2030	Corporate and personal guarantee and pledge	**815,467,823**	**674,727,072**	**842,453,277**
Medeor 24x7 Hospital LLC	Term loan	UAE	Islamic	2029	Corporate and personal guarantee and pledge	**303,136,915**	**342,998,831**	**348,998,906**
LLH Hospital Al Musaffah LLC	Term loan	UAE	Islamic	2029	Corporate and personal guarantee and pledge	**176,022,904**	**202,165,761**	**187,537,189**
LLH Hospital Al Musaffah LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**-**	**17,492,512**	**-**
LLH Hospital LLC	Term loan	UAE	Islamic	2030	Corporate and personal guarantee and pledge	**192,633,333**	**155,000,000**	**190,000,000**
Burjeel Royal Hospital L.L.C.	Ijarah loan	UAE	Islamic	2026	Corporate and personal guarantee and pledge	**122,856,573**	**137,412,551**	**123,744,608**
Burjeel Specialty Hospital L.L.C.	Term loan	UAE	Commercial	2028	Corporate and personal guarantee and pledge	**117,247,404**	**108,092,552**	**101,474,640**
Burjeel Day Surgery Centre LLC	Term loan	UAE	Commercial	2024	Corporate and personal guarantee and pledge	**70,473,897**	**46,035,550**	**68,843,653**
Medeor 24x7 International Hospital LLC	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and Pledge of financed equipment	**-**	**50,119,791**	**-**
Life Line Hospital LLC	Term loan	Oman	Commercial	2027	Commercial mortgage and Corporate and personal guarantee	**43,884,000**	**45,853,017**	**35,280,129**
LLH Hospital LLC	Vehicle loan	UAE	Commercial	2025	Corporate and personal guarantee	**732,398**	**491,550**	**1,141,534**
Burjeel Homecare Services LLC	Vehicle loan	UAE	Commercial	2024	Financed vehicle	**236,395**	**390,043**	**-**
Burjeel Hospital for Advanced Surgery	Vehicle loan	UAE	Commercial	2022	Corporate and personal guarantee	**-**	**46,957**	**97,465**
Tajmeel Kids Park Medical Centre LLC	Vehicle loan	UAE	Commercial	2023	Financed vehicle	**-**	**27,648**	**-**
Burjeel Medical Centre Barari LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**-**	**1,387,640**	**5,392,894**
Burjeel Hospital LLC	Vehicle loan	UAE	Commercial	2021	Financed vehicle	**-**	**-**	**257,440**
Marina Health Promotion Center LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**-**	**-**	**2,980,702**
Burjeel Hospital LLC	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and pledge	**6,986,748**	**-**	**-**
Medeor 24x7 Hospital LLC	Term loan	UAE	Commercial	2024	Corporate and personal guarantee and pledge	**37,180,000**	**-**	**-**
LLH Hospital LLC	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and pledge	**5,222,667**	**-**	**-**
Dynamed Healthcare Solutions Pvt. Ltd	Vehicle loan	India	Commercial	2025	Financed vehicle	**14,443**	**-**	**20,175**
Lifeline Drugstore LLC	Term loan	UAE	Commercial	2022	Personal guarantee and pledge	**-**	**1,322,969**	**3,531,720**
Lifeline Drugstore LLC	Vehicle loan	UAE	Commercial	2021	Financed vehicle	**-**	**-**	**13,314**
						2,648,798,249	**2,570,877,054**	**2,600,175,835**

14 INTEREST BEARING LOANS AND BORROWINGS continued

Current

Group entity name	*Facility*	*Country*	*Bank type*	*Loan maturity year*	*Security*	*At 31 December 2021 AED*	*2020 AED*	*2019 AED*
Burjeel Hospital LLC	Term loan	UAE	Islamic	2030	Corporate and personal guarantee and pledge	**57,525,708**	247,223,173	70,445,016
LLH Hospital LLC	Term loan	UAE	Islamic	2030	Corporate and personal guarantee and pledge	**18,270,000**	58,333,333	35,000,000
LLH Hospital LLC	Short-term loan	UAE	Islamic	2022	Corporate and personal guarantee and pledge	**97,000,000**	94,500,000	102,745,930
Medeor 24x7 International Hospital LLC	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and Pledge of financed equipment	**43,701,896**	-	63,892,438
LLH Hospital Al Musaffah LLC	Term loan	UAE	Islamic	2029	Corporate and personal guarantee and pledge	**26,142,857**	13,942,857	42,857,143
LLH Hospital Al Musaffah LLC	Bill discounting	UAE	Commercial	2021	Corporate guarantees	**-**	3,768,000	43,452,416
Medeor 24x7 Hospital LLC	Bill discounting	UAE	Commercial	2021	Corporate and personal guarantee	**-**	37,965,985	39,990,652
Medeor 24x7 Hospital LLC	Term loan	UAE	Islamic	2029	Corporate and personal guarantee and pledge	**42,861,916**	30,000,000	35,327,163
Burjeel Royal Hospital L.L.C.	Bill Discounting	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**15,999,999**	26,842,863	31,819,873
Burjeel Royal Hospital L.L.C.	Ijarah loan	UAE	Islamic	2026	Corporate and personal guarantee and pledge	**14,868,012**	5,000,000	18,356,000
Medeor 24x7 International Hospital	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and Pledge of financed equipment	**33,573,881**	24,772,500	20,633,603
Burjeel Day Surgery Centre LLC	Term loan	UAE	Commercial	2024	Corporate and personal guarantee and pledge	**12,000,000**	40,354,480	23,059,706
Medeor 24x7 Hospital LLC	Term loan	UAE	Commercial	2024	Corporate and personal guarantee and pledge	**20,670,000**	21,862,643	20,907,134
Burjeel Day Surgery Centre LLC	Bill discounting	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**10,754,351**	19,291,032	19,571,358
Burjeel Hospital for Advanced Surgery	Bills discounting	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**14,977,151**	18,997,389	18,989,703
Burjeel Hospital LLC	Bill discounting	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**11,949,715**	11,949,715	44,133,524
Burjeel Specialty Hospital L.L.C.	Term loan	UAE	Commercial	2028	Corporate and personal guarantee and pledge	**1,875,000**	11,886,605	26,471,646
Marina Health Promotion Center LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**5,155,556**	9,641,831	8,554,030
LLH Hospital LLC	Bill discounting	UAE	Commercial	2022	Personal guarantee and pledge	**6,495,000**	6,500,000	6,500,000
Burjeel Medical Centre Barari LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**1,387,642**	4,005,194	10,220,268
LLH Hospital LLC	Bank Guarantee	UAE	Commercial	2022	Corporate and personal guarantee	**2,299,099**	5,258,910	8,463,956
Marina Health Promotion Center LLC	Bill discounting	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**2,328,968**	4,182,377	4,227,711
Lifeline Hospital LLC	Term loan	Oman	Commercial	2027	Commercial mortgage and Corporate and personal guarantee	**3,816,000**	2,777,704	15,778,808
LLH Hospital LLC	Rent loans	UAE	Commercial	2022	Corporate and personal guarantee	**2,486,138**	1,863,637	3,489,521

14 INTEREST BEARING LOANS AND BORROWINGS continued

Current continued

Group entity name	*Facility*	*Country*	*Bank type*	*Loan maturity year*	*Security*	*At 31 December 2021 AED*	*2020 AED*	*2019 AED*
LLH Hospital LLC	Vehicle loan	UAE	Commercial	2025	Corporate and personal guarantee	**437,346**	**1,524,467**	**2,641,844**
Burjeel Hospital LLC	Vehicle loan	UAE	Commercial	2021	Vehicles	**-**	**322,784**	**658,135**
Burjeel Homecare Services LLC	Vehicle loan	UAE	Commercial	2024	Financed vehicle	**141,304**	**143,079**	**-**
Tajmeel Kids Park Medical Centre LLC	Vehicle loan	UAE	Commercial	2023	Financed vehicle	**27,615**	**66,379**	**-**
Burjeel Hospital for Advanced Surgery	Vehicle loan	UAE	Commercial	2022	Financed vehicle	**47,714**	**60,290**	**56,480**
Burjeel Hospital LLC	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and pledge	**7,960,563**	**-**	**10,000,000**
Burjeel Medical City LLC	Term loan	UAE	Commercial	2026	Corporate and personal guarantee and pledge	**50,328,000**	**-**	**-**
Burjeel Hospital for Advanced Surgery	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**3,701,902**	**-**	**-**
Burjeel Royal Hospital L.L.C.	Rent loans	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**2,333,334**	**-**	**-**
Burjeel Royal Hospital L.L.C	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**6,347,661**	**-**	**-**
LLH Hospital Al Musaffah LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**17,492,512**	**17,492,512**	**-**
LLH Hospital LLC	Term loan	UAE	Commercial	2023	Corporate and personal guarantee and pledge	**5,970,350**	**-**	**-**
Lifeline Hospital LLC	Bill discounting	Oman	Commercial	2022	Commercial mortgage and Corporate and personal guarantee	**13,250,754**	**14,925,026**	**19,038,252**
Dynamed Healthcare Solutions Pvt Ltd	Vehicle loan	India	Commercial	2025	Financed vehicle	**44,275**	**20,394**	**41,362**
Lifeline Drugstore LLC	Vehicle loan	UAE	Commercial	2021	Financed vehicle	**-**	**-**	**37,560**
Lifeline Drugstore LLC	Term loan	India	Commercial	2022	Personal guarantee and pledge	**1,322,969**	**3,312,000**	**3,312,000**
Lifeline Drugstore LLC	Term loan	UAE	Commercial	2022	Corporate and personal guarantee and pledge	**3,363,467**	**6,312,659**	**6,143,040**
Lifeline Drugstore LLC	Short term loan	UAE	Islamic	2021	Corporate and personal guarantee and pledge	**-**	**10,747,471**	**15,366,706**
						558,908,655	**755,847,289**	**772,182,978**

Security & pledges

- Corporate guarantees by the entities within the Group;
- Personal guarantee of the Owner and
- Certain property and equipment, assignment of insurance receivables of the entities with the Group entities are pledged against the loans and borrowings (Note 7(a)).

14 INTEREST BEARING LOANS AND BORROWINGS continued

Changes in liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows used in financing activities.

	1 January 2021 AED	*Cash flows AED*	*Other AED*	*31 December 2021 AED*
Current:				
Interest bearing loans and borrowings	**755,847,289**	**(755,847,289)**	**558,908,655**	**558,908,655**
Non-current:				
Interest bearing loans and borrowings	**2,570,877,054**	**636,829,850**	**(558,908,655)**	**2,648,798,249**
Total	**3,326,724,343**	**(119,017,439)**	**-**	**3,207,706,904**

	1 January 2020 AED	*Cash flows AED*	*Other AED*	*31 December 2020 AED*
Current:				
Interest bearing loans and borrowings	**772,182,978**	**(708,290,540)**	**691,954,851**	**755,847,289**
Non-current:				
Interest bearing loans and borrowings	**2,600,175,835**	**662,656,070**	**(691,954,851)**	**2,570,877,054**
Total	**3,372,358,813**	**(45,634,470)**	**-**	**3,326,724,343**

	1 January 2019 AED (unaudited)	*Cash flows AED*	*Other AED*	*31 December 2019 AED*
Current:				
Interest bearing loans and borrowings	**760,262,240**	**(760,262,240)**	**772,182,978**	**772,182,978**
Non-current:				
Interest bearing loans and borrowings	**2,388,138,397**	**984,220,416**	**(772,182,978)**	**2,600,175,835**
Total	**3,148,400,637**	**223,958,176**	**-**	**3,372,358,813**

The ‘Other’ column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

Interest rates
Interest rates on these loans and borrowings are at EIBOR plus a fixed margin. The range is as follows:

Commercial loans – EIBOR + 3% to 7%
Ijara loans – EIBOR + 3% to 5%
Bills discounted – EIBOR + 2% to 6%
Rent loans – EIBOR + 3% to 5%
Vehicle loans – 3% to 10%

15 ACCOUNTS PAYABLE AND ACCRUALS

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Trade accounts payable	**641,545,384**	634,605,075	668,816,660
Employees' salaries payables	**156,179,992**	114,715,290	85,018,754
Accrued expenses	**97,508,037**	142,950,345	82,673,954
Retention payable	**60,241,070**	60,436,070	69,626,418
Advances received from insurers and customers	**21,007,952**	6,044,228	67,560,760
Other payables	**69,694,752**	26,654,074	35,764,093
	1,046,177,187	985,405,082	1,009,460,639

16 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for land and buildings leases and are part of core operations of the Group. Generally, the Group is restricted from assigning and subleasing the leased assets. Some of the lease contracts include extension and termination options, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below, is the carrying amount of the Group's right-of-use asset and lease liabilities and the movement during the respective years:

	Right-of-use assets AED	***Lease liabilities AED***
As at 1 January 2021	**1,245,980,641**	**1,361,281,135**
Depreciation expense	**(107,453,005)**	**-**
Adjustment for rent concession	**-**	**(902,537)**
Write off	**(9,855)**	**-**
Accretion of interest expense	**-**	**56,879,905**
Payments	**-**	**(135,982,458)**
As at 31 December 2021	**1,138,517,781**	**1,281,276,045**
As at 1 January 2020	**1,343,708,497**	**1,396,912,443**
Additions	**8,604,018**	**8,604,018**
Depreciation expense	**(106,331,874)**	**-**
Adjustment for rent concession	**-**	**(1,823,235)**
Accretion of interest expense	**-**	**59,694,091**
Payments	**-**	**(102,106,182)**
As at 31 December 2020	**1,245,980,641**	**1,361,281,135**
As at 1 January 2019 *(unaudited)*	**1,432,513,201**	**1,450,524,768**
Additions	**14,191,180**	**14,191,180**
Depreciation expense	**(102,995,884)**	**-**
Accretion of interest expense	**-**	**58,738,070**
Payments	**-**	**(126,541,575)**
As at 31 December 2019	**1,343,708,497**	**1,396,912,443**

16 RIGHT OF USE ASSETS AND LEASE LIABILITIES continued

Lease liabilities are analysed in the consolidated statement of financial position as follows:

	At 31 December		
	2021 ***AED***	***2020*** ***AED***	***2019*** ***AED***
Current	**172,676,235**	**120,725,289**	**93,758,790**
Non – current	**1,108,599,810**	**1,240,555,846**	**1,303,153,653**
	1,281,276,045	**1,361,281,135**	**1,396,912,443**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. There are no contracts wherein, the extension options are not expected to be exercised or termination options are expected to be exercised. Therefore, there are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Included in right of use assets is a land with a net book value of AED 6,173,400 (2020: AED 6,463,913 and 2019: AED 6,754,426) and remaining right of use assets are leased properties amounting to AED 1,132,344,382 (2020: AED 1,239,516,728 and 2019: AED 1,336,954,071).

The following are the amounts recognised in the consolidated statement of comprehensive income:

	For the years ended 31 December		
	2021 ***AED***	***2020*** ***AED***	***2019*** ***AED***
Depreciation expense of right of use assets	**107,453,005**	**106,331,874**	**102,995,884**
Interest expense on lease liabilities (note 5)	**56,879,905**	**59,694,091**	**58,738,070**
Expense relating to short term leases	**9,309,073**	**8,084,307**	**10,680,203**

The Group had total cash outflows for leases of AED 135,982,458 during 2021, AED 102,106,182 during 2020 and AED 126,541,575 during 2019. The Group had non-cash additions to right of use assets and lease liabilities of AED nil during 2021, AED 8,604,018 during 2020 and AED 14,191,180 during 2019. There are no future cash outflows relating to leases that have not yet commenced. The Group's lease contracts do not contain any variable lease payments.

16 RIGHT OF USE ASSETS AND LEASE LIABILITIES continued

Changes in lease liabilities arising from financing activities:

	1 January 2021 AED	*Cash flows AED*	*Other AED*	*31 December 2021 AED*
Current:				
Leases liabilities	**120,725,289**	**(135,982,458)**	**187,933,404**	**172,676,235**
Non-current:				
Leases liabilities	**1,240,555,846**	**-**	**(131,956,036)**	**1,108,599,810**
Total	**1,361,281,135**	**(135,982,458)**	**55,977,368**	**1,281,276,045**

	1 January 2020 AED	*Cash flows AED*	*Other AED*	*31 December 2020 AED*
Current:				
Lease liabilities	**93,758,790**	**(102,106,182)**	**129,072,681**	**120,725,289**
Non-current:				
Lease liabilities	**1,303,153,653**	**-**	**(62,597,807)**	**1,240,555,846**
Total	**1,396,912,443**	**(102,106,182)**	**66,474,874**	**1,361,281,135**

	1 January 2019 AED (unaudited)	*Cash flows AED*	*Other AED*	*31 December 2019 AED*
Current:				
Lease liabilities	**147,371,115**	**(126,541,575)**	**72,929,250**	**93,758,790**
Non-current:				
Lease liabilities	**1,303,153,653**	**-**	**-**	**1,303,153,653**
Total	**1,450,524,768**	**(126,541,575)**	**72,929,250**	**1,396,912,443**

The ‘Other’ column includes the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time, rent concessions and the effect of accretion on interest on lease liabilities. The Group classifies interest on lease liabilities as cash flows from operating activities.

17 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the Owner and senior management of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of all transactions are approved by the management of the Group.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	For the years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Revenue	**19,382,108**	**20,262,185**	**17,621,099**
Interest income	**58,468,706**	**64,154,806**	**61,409,910**
Doctors' and other employees' salaries and benefits	**9,498,957**	**17,123,215**	**12,673,849**
Purchases	**14,495,032**	**20,594,453**	**15,405,956**
Others	**37,919,520**	**25,684,055**	**22,112,905**
Corporate charges* (note 6)	**30,000,000**	**8,988,573**	**8,702,168**

As at 31 December 2021, 2020, and 2019, various group entities and the Owner have provided corporate and personal guarantees to the banks for loans and other facilities obtained by the Entities.

In 2020, certain properties and equipment with a net book value of AED 4,008,476 were transferred to Response Plus Management Services LLC, a related party for nil consideration which resulted in a loss of AED 4,008,476. During the years ended 31 December 2021 and 31 December 2019, no such transfers were made (note 7).

* - Corporate charges include allocation of common cost mainly HR support, IT support, finance operations support and other general overheads from VPS Healthcare, a related party.

Balances with related parties included in the consolidated statement of financial position are as follows:

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Amounts due from related parties			
Non-current			
Entities under common control			
VPS Healthcare LLC*	**-**	**829,177,727**	**751,914,937**
Keita Catering LLC*	**-**	**1,853,705**	**525,860**
Ziva Wet Wipes FZCO	**-**	**549,069**	**518,986**
	-	**831,580,501**	**752,959,783**

* - These non-current balances carry an interest at rate of 6% per annum for the years ended 31 December 2020 and 31 December 2019. These balances primarily arose on receipts and payments transactions and do not have any fixed repayment terms.

All above balances are receivable after twelve months from the reporting date. Accordingly, these have been classified as non-current in the consolidated statement of financial position of 31 December 2020 and 31 December 2019.

17 RELATED PARTY TRANSACTIONS AND BALANCES continued

	At 31 December		
	2021 AED	*2020 AED*	*2019 AED*
Amounts due from related parties continued			
Current			
Entities under common control			
VPS Healthcare LLC*	**1,504,149,148**	**577,667,822**	**489,945,231**
Lifeline Scientific Office	**46,027,236**	**47,384,570**	**41,858,674**
Life Pharma FZE	**27,323,471**	**3,358,786**	**1,150,905**
Keita Catering LLC*	**-**	**16,145,074**	**52,219,793**
Hirmas Real Estate LLC	**6,110,417**	**5,188,913**	**4,255,433**
Response Plus Medical Services LLC - Dubai Branch	**4,353,500**	**-**	**4,548,840**
International Knee & Joint Centre LLC	**3,996,110**	**3,167,434**	**2,345,690**
Response Plus Medical Services One Person LLC	**3,459,398**	**-**	**-**
National Petroleum Construction Company managed by LLH Hospital Al Mussafah LLC	**344,683**	**-**	**-**
Lifecare Clinic LLC Branch	**227,529**	**-**	**-**
LLH Specialist Medical Center	-	**1,240,086**	**5,098,982**
Al Tadawi Medical Centre	-	**1,250,000**	**1,250,000**
Life Pharma LLC	-	**1,000,000**	**1,000,000**
Response Plus Holding PJSC	-	**19,045,265**	**17,252,481**
Pharmacy Central Store	-	**-**	**11,283,684**
Response Plus Medical Services LLC (Qatar)	-	**-**	**625,427**
Response Plus Manpower Supply	-	**-**	**1,740,283**
Medicine Shoppe - Central Store	-	**156,337**	**-**
The Minutes Clinic LLC	-	**362,185**	**-**
Medeor Medical Center - Al Foah Mall	-	**165,000**	**-**
Medeor Medical Center LLC - Downtown	-	**111**	**-**
Saudi Response Plus Medical Services	**-**	**-**	**3,371,241**
	1,595,991,492	**676,131,583**	**637,946,664**

* - These balances carry an interest rate of 6% per annum for the years ended 31 December 2021, 31 December 2020 and 31 December 2019.

The Owner intends to settle the gross amounts due from balance of related parties as at 31 December 2021 amounting to AED 1,595,991,492 from the proceeds of future initial public offerings. Management expects to realise these due from related parties within twelve months after the reporting date. Therefore, these balances are classified as current.

17 RELATED PARTY TRANSACTIONS AND BALANCES continued

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Amounts due to related parties			
Current			
Response Plus Medical Services LLC	**26,358,998**	10,715,902	8,496,697
Ziva Wet Wipes LLC	**10,449,943**	7,756,940	2,126,358
Occumed Clinic LLC	**7,361,916**	10,657,053	6,728,706
Al Raha Village Properties LLC	**4,495,475**	4,163,446	5,170,685
LLH Medical Training Centre LLC	**4,320,381**	3,998,260	2,606,210
International Construction Contracting Company	**295,254**	257,225	366,670
Workers Village Real Estate LLC	**269,063**	1,014,308	1,290,226
Keita Catering LLC	**162,928**	-	-
Middle East North Africa Conference Company LLC	**101,698**	225,500	78,497
Adline Advertising LLC	**17,281**	17,281	17,281
Ziva Wet Wipes FZCO	**-**	16,328	-
	53,832,937	38,822,243	26,881,330

Terms and conditions with related parties
Outstanding balances at the year-end arise in the normal course of business and due to receipt and payment transactions. The Entities have not recorded any impairment of amounts due from related parties. This assessment is undertaken each reporting date through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel
The remuneration of the members of key management during the years were as follows:

	For the years ended 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Salaries and other benefits	**21,422,829**	20,949,311	20,365,173
Employees' end of service benefits	**1,459,396**	1,439,150	1,049,031
	22,882,225	22,388,461	21,414,204
Number of key management personnel	**38**	38	35

18 CONTINGENCIES AND COMMITMENTS

Contingencies:
As at 31 December 2021, 31 December 2020 and 31 December 2019, the Group had contingent liabilities in respect of labour guarantees amounting to AED 3,820,200, AED 4,068,719 and AED 9,586,123, respectively and performance guarantees amounting to AED 7,799,476, AED 23,288,663 and AED 1,595,088, respectively, arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Capital commitments:
Capital expenditure contracted but not yet incurred at the end of the year are as follows:

	At 31 December		
	2021 *AED*	*2020* *AED*	*2019* *AED*
Building improvements	**2,204,829**	34,915,302	118,865,315
Medical equipment	**2,952,734**	26,019,383	182,880,287
Others	**1,153,667**	8,365,598	45,607,035
	6,311,230	69,300,283	347,352,637

19 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's principal financial liabilities consist of accounts payables, interest bearing loans and borrowings, amounts due to related parties, bank overdrafts, derivative financial instruments, lease liabilities and certain other liabilities. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as accounts receivable, amounts due from related parties and bank balances and cash and certain other assets, which arise directly from its operations and inter-company receipt and payment transactions.

Risk management activities carried out by the Group are under policies approved by the management. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units. The financial risk management disclosures have been presented to illustrate different potential scenarios and situations that the Group may encounter in practice.

Credit risk
Credit risk refers the risk arising on account of a default by counterparty on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually. The Group uses its own trading records to rate its major customers.

The Group is exposed to credit risk on its accounts receivable, bank balances and amounts due from related parties as disclosed in Notes 10, 11 and 17, respectively. Credit risk is limited to the carrying values of each class of financial assets in the consolidated statement of financial position.

19 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Credit risk continued
Trade receivables
Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating) The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security.

The Group's five largest customers account for approximately 73% of outstanding accounts receivable at 31 December 2021, 72% at 31 December 2020 and 72% at 31 December 2019. The average credit period on trade receivables is 90 days (2020: 90 days and 2019: 90 days).

Bank balances
Credit risk from balances with banks and financial institutions is managed by the Shareholder. The Group seeks to limit its credit risk with regard to bank balances by dealing only with reputable banks. These balances are callable on demand and held with reputable financial institutions. Management has assessed that the credit risk is minimal on bank balances.

Amounts due from related parties
Amounts due from related parties is not considered to represent significant credit risk because amounts due from related parties are from the companies owned and controlled by the Owner and therefore do not carry any significant risks of default. The credit risk is assessed to be minimal as there is no historical default and these balances are due from entities, which has common shareholding.

Other financial assets
With respect to credit arising from the other financial assets of the Group, which comprise other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Interest rate risk
The Group has no significant interest-bearing assets and the Group's income, and operating cash flows are substantially independent of changes in market interest rates. Any excess cash and cash equivalents are invested at short term market interest rates.

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. The Group is exposed to interest rate risk on its interest-bearing loans and borrowings including bank overdrafts.

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the statement of financial position date. For floating rate liabilities and bank deposits, the analysis is prepared assuming the amount of liability and bank deposit outstanding at the statement of financial position date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

19 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Interest rate risk continued
Interest rate sensitivity analysis continued
The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit or loss, based on the floating rate financial liabilities held at reporting dates. The analysis is prepared assuming the amount of interest-bearing assets and liabilities (floating rate) outstanding at the reporting date was outstanding for the whole year. The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant. In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk, as the yearend exposure does not reflect the exposure during the year.

	Increase/decrease in basis points	*Effect on profit / (loss) AED*
2021	**+100**	**(33,294,962)**
2021	**-100**	**33,294,962**
2020	**+100**	**35,282,484**
2020	**-100**	**(35,282,484)**
2019	**+100**	**35,767,595**
2019	**-100**	**(35,767,595)**

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through an adequate amount of committed credit facilities and funding from the Owner. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and funding from the Owner. The Group monitors its risk of shortage of funds using cash flow budgeting in which it considers the cash flows and as well as their sources of funding.

19 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Liquidity risk continued
The Group limits its liquidity risk by ensuring bank facilities are available and by funding non-current assets with long term loans. Trade payables are normally settled within 90 to 120 days of the date of purchase.

The table below summarises the maturities of the Group's undiscounted financial liabilities, based on contractual payment dates and current market interest rates.

	On demand AED	*Less than 3 months AED*	*3 to 12 months AED*	*1 to 5 years AED*	*More than 5 years AED*	*Total AED*
2021						
Interest bearing loans and borrowings	**77,275,778**	**205,746,409**	**390,671,246**	**2,174,434,321**	**1,173,635,889**	**4,021,763,643**
Lease liabilities	**-**	**40,765,284**	**137,894,624**	**692,988,299**	**739,306,883**	**1,610,955,090**
Amounts due to related parties	**-**	**15,052,231**	**38,780,706**	**-**	**-**	**53,832,937**
Trade and accounts payable	**-**	**753,369,465**	**174,291,733**	**-**	**-**	**927,661,198**
Bank overdrafts	**91,476,683**	**-**	**-**	**-**	**-**	**91,476,683**
Derivative financial instruments	**-**	**-**	**-**	**32,463,738**	**-**	**32,463,738**
Total	**168,752,461**	**1,014,933,389**	**741,638,309**	**2,899,886,358**	**1,912,942,772**	**6,738,153,289**
2020						
Interest bearing loans and borrowings	**-**	**103,622,256**	**379,861,378**	**2,059,437,141**	**1,316,298,359**	**3,859,219,134**
Lease liabilities	**-**	**39,801,061**	**111,915,865**	**756,798,507**	**894,263,344**	**1,802,778,777**
Amounts due to related parties	**-**	**11,997,028**	**26,825,215**	**-**	**-**	**38,822,243**
Trade and accounts payable	**-**	**713,264,617**	**123,145,892**	**-**	**-**	**836,410,509**
Bank overdrafts	**179,313,163**	**-**	**-**	**-**	**-**	**179,313,163**
Derivative financial instruments	**-**	**-**	**-**	**34,961,714**	**-**	**34,961,714**
Total	**179,313,163**	**868,684,962**	**641,748,350**	**2,851,197,362**	**2,210,561,703**	**6,751,505,540**
2019						
Interest bearing loans and borrowings	**84,526,041**	**283,610,182**	**592,514,847**	**2,924,286,800**	**171,749,155**	**4,056,687,025**
Lease liabilities	**-**	**29,224,664**	**86,139,541**	**732,877,245**	**957,030,773**	**1,805,272,223**
Amounts due to related parties	**-**	**2,222,136**	**24,659,194**	**-**	**-**	**26,881,330**
Trade and accounts payable	**-**	**686,580,704**	**172,645,221**	**-**	**-**	**859,225,925**
Bank overdrafts	**190,421,973**	**-**	**-**	**-**	**-**	**190,421,973**
Derivative financial instruments	**-**	**-**	**-**	**24,443,657**	**-**	**24,443,657**
Total	**274,948,014**	**1,001,637,686**	**875,958,803**	**3,681,607,702**	**1,128,779,928**	**6,962,932,133**

In 2017, Medeor International Hospital in Al Ain, United Arab Emirates entered into an agreement with a bank to finance the capital expenditure of the new hospital. The repayment of loan is over the period of 5 years in 20 installments on quarterly basis. The first repayment started in 2018. As of 31 December 2019, 31 December 2020 and 31 December 2021, Medeor International Hospital was not in compliance with two of the seven financial covenants. Even though, the bank did not declare an event of default under the loan agreement and the facility was renewed without any penalty in subsequent years, but these breaches constituted events of default and could have resulted in the lender requiring immediate repayment of loans. Accordingly, as of 31 December 2019 and 31 December 2021, the Group has classified the loans and borrowings of AED 63,892,438 and AED 43,701,896, respectively as a current liability. As of 31 December 2020, these loans and borrowings were not classified as current liability as the bank has renewed the facility prior to the reporting date.

Foreign currency risk
The Group is exposed to foreign currency risk arising from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency other than the respective functional currencies of the Group entities. As the UAE Dirham and Omani Riyal is pegged to the USD, balances in these currencies are not considered to represent significant foreign currency risk.

Management has set up policies to require Group companies to manage their foreign currency risk against their functional currency. Further, the Group is not significantly exposed to foreign currency risk in respect of its subsidiary in India as those operations are minimal as compared to the Group's operations. The Group's exposure to foreign currency changes is not material.

19 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Capital management
The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2021, 31 December 2020 and 31 December 2019.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within net debt, interest bearing loans and borrowings, lease liabilities, accounts payables and accruals and amounts due from related parties, less cash and cash equivalents. Capital includes total equity.

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Interest bearing loans and borrowings (note 14)	**3,207,706,904**	**3,326,724,343**	**3,372,358,813**
Lease liabilities (note 16)	**1,281,276,045**	**1,361,281,135**	**1,396,912,443**
Accounts payable and accruals (note 15)	**1,046,177,187**	**985,405,082**	**1,009,460,639**
Amounts due to related parties (note 17)	**53,832,937**	**38,822,243**	**26,881,330**
Cash and cash equivalent (note 11)	**(39,157,261)**	**56,034,676**	**28,310,181**
Net debt	**5,549,835,812**	**5,768,267,479**	**5,833,923,406**
Equity	**363,439,013**	**133,887,826**	**86,014,273**
Equity and net debt	**5,913,274,825**	**5,902,155,305**	**5,919,937,679**
Gearing ratio	**94%**	**98%**	**99%**

20 INVESTMENT IN ASSOCIATES

Details of the Group's associates are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership percentage*		
			At December		
Associate			***2021***	***2020***	***2019***
International Knee & Joint Centre LLC	Supply of sports medicine and the provision of medical and rehabilitation services in relation to sports injuries and, in particular, those related to the knee.	U.A.E.	**40%**	**40%**	**40%**
First IVF Fertility Centre LLC	To run, operate and manage fertility and infertility treatment centre for the patients	U. A. E	**30%**	**30%**	**-**

The above investment is accounted for using the equity method in these consolidated financial statements.

20 INVESTMENT IN ASSOCIATES continued

a). International Knee & Joint Centre LLC

Movement in International Knee & Joint Centre LLC ('Knee & Joint Centre') are as follows:

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Balance at 1 January	**9,132,911**	**6,563,616**	**6,563,439**
Share of the profit for the year	**10,531,656**	**7,369,295**	**2,655,004**
Dividend received during the year	**(14,000,000)**	**(4,800,000)**	**(2,654,827)**
Balance at 31 December	**5,664,567**	**9,132,911**	**6,563,616**

The following table illustrates the summarised of financial information relating to the Group's investment in Knee & Joint Centre:

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Total assets	**55,932,885**	**41,467,543**	**48,948,763**
Total liabilities	**(41,771,468)**	**(18,635,266)**	**(32,539,723)**
Net assets	**14,161,417**	**22,832,277**	**16,409,040**
The Group's share of net assets in Knee & Joint Centre – 40% share	**5,664,567**	**9,132,911**	**6,563,616**
The Group's carrying amount of investment in Knee & Joint Centre (A)	**5,664,567**	**9,132,911**	**6,563,616**

	For the years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Revenue	**71,471,805**	**57,038,174**	**61,213,205**
Profit for the year	**26,329,140**	**18,423,237**	**6,637,509**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**26,329,140**	**18,423,237**	**6,637,509**
The Group's share of profit in Knee & Joint Centre – (B)	**10,531,656**	**7,369,295**	**2,655,004**
The Group's share of total comprehensive in Knee & Joint Centre	**10,531,656**	**7,369,295**	**2,655,004**

Knee & Joint Centre had no contingent liabilities or capital commitments as at 31 December 2021, 2020 or 2019.

20 INVESTMENT IN ASSOCIATES continued

b). First IVF Fertility Centre LLC

Movement in First IVF Fertility Centre LLC (IVF) are as follows:

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Balance at 1 January	**943,133**	**-**	**-**
Investment during the year	**-**	**90,000**	**-**
Share of the Group's profit for the year	**10,783,067**	**853,133**	**-**
Balance at 31 December	**11,726,200**	**943,133**	**-**

The following table illustrates the summarised of financial information relating to the Group's investment in IVF:

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Total assets	**54,917,670**	**13,669,646**	**-**
Total liabilities	**(15,830,337)**	**(10,525,869)**	**-**
Net assets	**39,087,333**	**3,143,777**	**-**
The Group's share of net assets in IVF – 30% share	**11,726,200**	**943,133**	**-**
The Group's carrying amount of investment in IVF – (C)	**11,726,200**	**943,133**	**-**

	For the years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Revenue	**85,211,440**	**9,772,147**	**-**
Profit for the year	**35,943,557**	**2,843,776**	**-**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**35,943,557**	**2,843,776**	**-**
The Group's share of profit in IVF – (D)	**10,783,067**	**853,133**	**-**
The Group's share of total comprehensive in IVF	**10,783,067**	**853,133**	**-**

IVF had no contingent liabilities or capital commitments as at 31 December 2021, 2020 or 2019.

20 INVESTMENT IN ASSOCIATES continued

Total share of the Group's profit from associates are as follows:

	For the years ended 31 December		
	2021 AED	***2020 AED***	***2019 AED***
International Knee & Joint Centre LLC – (B)	**10,531,656**	7,369,295	2,655,004
First IVF Fertility Centre LLC – (D)	**10,783,067**	853,133	-
	21,314,723	8,222,428	2,655,004

The Group's total carrying amount of investment in associates are as follows:

	As at 31 December		
	2021 AED	***2020 AED***	***2019 AED***
International Knee & Joint Centre LLC - (A)	**5,664,567**	9,132,911	6,563,616
First IVF Fertility Centre LLC - (C)	**11,726,200**	943,133	-
	17,390,767	10,076,044	6,563,616

21 SEGMENTAL REPORTING

For management purposes, the Group is organised into business units or segments based on its products and services and has four reportable segments as follows:

- Hospitals;
- Medical Center;
- Pharmacies; and
- Others

Hospital includes entities that provide inpatient, day-care services and Outpatient services to patients to diagnosis the disease and offer medical and surgical treatment as part of in-patient services.

Medical Centre includes entities which offer only outpatient services to patients which includes medical consultation, lab and radiology diagnostic treatment (if required), will refer the patient to hospitals for Inpatient and day care services, if needed.

Pharmacies includes all the retail pharmacies which are outside the premises of the hospitals and medical centers. Pharmacies act as retail stores and selling pharmaceutical and cosmetic products.

Other represents business units that support the hospitals, medical center, and pharmacies to manage the supply chain, valet parking and claim submission etc.

No operating segments have been aggregated to form the above reportable operating segments.

The Regional Chief Executive Officers of the Entities are the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Segment performance is evaluated based on profit or loss including EBIT and EBITDA and is measured consistently with profit or loss in the consolidated financial statements.

21 SEGMENTAL REPORTING continued

As at and for the year ended 31 December 2021

	Hospitals AED	*Medical centre AED*	*Pharmacies AED*	*Others AED*	*Total segments AED*	*Adjustments and eliminations AED*	*Consolidation AED*
Revenue							
Out patient revenue	1,893,915,413	349,499,361	-	-	2,243,414,774	(72,064,677)	2,171,350,097
In patient revenue	1,086,674,101	-	-	-	1,086,674,101	-	1,086,674,101
Total clinical revenue	2,980,589,514	349,499,361	-	-	3,330,088,875	(72,064,677)	3,258,024,198
Pharmacy sales	-	-	58,204,525	-	58,204,525	(278,309)	57,926,216
Others	22,243,745	1,955,167	516,782	540,508,663	565,224,357	(537,214,479)	28,009,878
Rental income	7,018,229	-	12,713	-	7,030,942	-	7,030,942
Total revenue	3,009,851,488	351,454,528	58,734,020	540,508,663	3,960,548,699	(609,557,465)	3,350,991,234
Revenue							
External customer	2,941,951,511	346,689,827	58,455,713	3,894,183	3,350,991,234	-	3,350,991,234
Intersegment	67,899,977	4,764,701	278,308	536,614,480	609,557,466	(609,557,466)	-
Total revenue	3,009,851,488	351,454,528	58,734,021	540,508,663	3,960,548,700	(609,557,466)	3,350,991,234
Segment profit	154,297,128	44,654,054	3,554,314	31,600,456	234,105,952	-	234,105,952
Finance costs	204,112,215	4,243,081	-	847,643	209,202,939	-	209,202,939
Finance income	(58,468,706)	-	-	-	(58,468,706)	-	(58,468,706)
Profit before interest, taxation (EBIT)	299,940,637	48,897,135	3,554,314	32,448,099	384,840,185	-	384,840,185
Depreciation and amortisation	346,778,682	43,519,070	1,341,810	2,650,309	394,289,871	-	394,289,871
Profit before interest, taxation, depreciation, amortisation (EBITDA)	646,719,319	92,416,205	4,896,124	35,098,408	779,130,056	-	779,130,056
Total assets as at 31 December 2021	8,108,779,203	476,820,023	94,418,429	382,859,000	9,062,876,655	(2,867,397,637)	6,195,479,018
Total liabilities as at 31 December 2021	7,742,130,436	555,236,920	102,651,078	272,886,378	8,672,904,812	(2,858,628,168)	5,814,276,644
Other disclosures:							
Additions to property and equipment	62,081,945	3,910,293	639,904	1,446,867	68,079,009	-	68,079,009
Additions to capital work in progress	17,567,999	9,083	-	-	17,577,082	-	17,577,082
Additions to intangible assets	53,004	30,346	-	-	83,350	-	83,350

21 SEGMENTAL REPORTING continued

As at and for the year ended 31 December 2020

	Hospitals AED	*Medical centre AED*	*Pharmacies AED*	*Others AED*	*Total segments AED*	*Adjustments and eliminations AED*	*Consolidation AED*
Revenue							
Out patient revenue	1,473,515,875	256,900,152	-	-	1,730,416,027	(49,467,400)	1,680,948,627
In patient revenue	817,300,756	-	-	-	817,300,756	-	817,300,756
Total clinical revenue	2,290,816,631	256,900,152	-	-	2,547,716,783	(49,467,400)	2,498,249,383
Pharmacy sales	-	-	44,086,535	-	44,086,535	(164,057)	43,922,478
Others	16,592,739	3,554,359	593,586	362,359,883	383,100,567	(324,410,092)	58,690,475
Rental income	4,230,188	-	90,000	-	4,320,188	-	4,320,188
Total revenue	2,311,639,558	260,454,511	44,770,121	362,359,883	2,979,224,073	(374,041,549)	2,605,182,524
Revenue							
External customer	2,261,572,158	260,454,511	44,606,064	38,549,791	2,605,182,524	-	2,605,182,524
Intersegment	50,067,400	-	164,057	323,810,092	374,041,549	(374,041,549)	-
Total revenue	2,311,639,558	260,454,511	44,770,121	362,359,883	2,979,224,073	(374,041,549)	2,605,182,524
Segment profit	(57,466,408)	5,862,489	1,957,064	15,648,292	(33,998,563)	-	(33,998,563)
Finance costs	203,415,852	4,914,106	-	1,703,928	210,033,886	-	210,033,886
Finance income	(64,154,806)	-	-	-	(64,154,806)	-	(64,154,806)
Profit before interest, taxation (EBIT)	81,794,638	10,776,595	1,957,064	17,352,220	111,880,517	-	111,880,517
Depreciation & amortisation	312,328,942	43,652,224	549,669	1,797,053	358,327,888	-	358,327,888
Profit before interest, taxation depreciation, amortisation (EBITDA)	394,123,580	54,428,819	2,506,733	19,149,273	470,208,405	-	470,208,405
Total assets as at 31 December 2020	7,760,772,218	425,311,387	102,507,238	319,911,783	8,608,502,626	(2,458,092,009)	6,150,410,617
Total liabilities as at 31 December 2020	7,570,181,678	545,420,629	114,594,199	222,449,415	8,452,645,921	(2,440,553,023)	6,012,092,898
Other disclosures:							
Additions to property and equipment	26,439,738	7,810,051	425,500	779,077	35,454,366	-	35,454,366
Additions to capital work in progress	252,708,607	61,482	-	-	252,770,089	-	252,770,089
Additions to intangible assets	1,639,139	80,611	-	-	1,719,750	-	1,719,750

21 SEGMENTAL REPORTING continued

As at and for the year ended 31 December 2019

	Hospitals AED	*Medical centre AED*	*Pharmacies AED*	*Others AED*	*Total segments AED*	*Adjustments and eliminations AED*	*Consolidation AED*
Revenue							
Out patient revenue	**1,323,168,199**	**259,337,949**	**-**	**-**	**1,582,506,148**	**(27,153,683)**	**1,555,352,465**
In patient revenue	**708,950,326**	**-**	**-**	**-**	**708,950,326**	**-**	**708,950,326**
Total clinical revenue	**2,032,118,525**	**259,337,949**	**-**	**-**	**2,291,456,474**	**(27,153,683)**	**2,264,302,791**
Pharmacy sales	**-**	**-**	**47,348,289**	**-**	**47,348,289**	**(23,983)**	**47,324,306**
Others	**25,565,790**	**5,125,847**	**298,449**	**395,018,234**	**426,008,320**	**(321,700,297)**	**104,308,023**
Rental income	**4,378,945**	**45,000**	**166,250**	**-**	**4,590,195**	**-**	**4,590,195**
Total revenue	**2,062,063,260**	**264,508,796**	**47,812,988**	**395,018,234**	**2,769,403,278**	**(348,877,963)**	**2,420,525,315**
Revenue							
External customers	**2,037,245,424**	**261,572,949**	**47,789,005**	**73,917,937**	**2,420,525,315**	**-**	**2,420,525,315**
Inter segment	**24,817,836**	**2,935,847**	**23,983**	**321,100,297**	**348,877,963**	**(348,877,963)**	**-**
Total revenue	**2,062,063,260**	**264,508,796**	**47,812,988**	**395,018,234**	**2,769,403,278**	**(348,877,963)**	**2,420,525,315**
Segment profit	**(163,959,806)**	**19,475,364**	**(2,769,743)**	**22,172,578**	**(125,081,607)**	**-**	**(125,081,607)**
Finance costs	**231,631,459**	**6,534,748**	**-**	**2,141,989**	**240,308,196**	**-**	**240,308,196**
Finance income	**(61,409,910)**	**-**	**-**	**-**	**(61,409,910)**	**-**	**(61,409,910)**
Profit before interest, taxation (EBIT)	**6,261,743**	**26,010,112**	**(2,769,743)**	**24,314,567**	**53,816,679**	**-**	**53,816,679**
Depreciation & amortisation	**317,166,199**	**44,611,671**	**549,117**	**1,738,032**	**364,065,019**	**-**	**364,065,019**
Profit before interest, taxation depreciation, amortisation (EBITDA)	**323,427,942**	**70,621,783**	**(2,220,626)**	**26,052,599**	**417,881,698**	**-**	**417,881,698**
Total assets as at 31 December 2019	**7,571,002,578**	**398,189,264**	**101,765,376**	**320,336,506**	**8,391,293,724**	**(2,221,473,370)**	**6,169,820,354**
Total liabilities as at 31 December 2019	**7,326,808,023**	**527,575,032**	**115,809,400**	**231,265,259**	**8,201,457,714**	**(2,109,805,938)**	**6,091,651,776**
Other disclosures:							
Additions to property and equipment	**37,722,655**	**6,842,932**	**912,027**	**1,259,058**	**46,736,672**	**-**	**46,736,672**
Additions to capital work in progress	**414,059,962**	**5,343,753**	**-**	**-**	**419,403,715**	**-**	**419,403,715**
Additions to intangible assets	**479,297**	**110,460**	**-**	**-**	**589,757**	**-**	**589,757**

21 SEGMENTAL REPORTING continued

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

Revenue by Geographic segments:

	Emirate of Abu Dhabi AED	*Northern Emirates AED*	*Sultanate of Oman AED*	*Total AED*
For the year ended 31 December 2021				
In patient revenue	863,300,296	168,082,619	55,291,186	1,086,674,101
Out patient revenue	1,860,842,110	174,949,079	135,558,908	2,171,350,097
Pharmacy	57,926,216	-	-	57,926,216
Other income	21,721,540	4,316,191	1,972,147	28,009,878
	2,803,790,162	**347,347,889**	**192,822,241**	**3,343,960,292**
Rental income	6,417,441	515,000	98,501	7,030,942
Total revenue	**2,810,207,603**	**347,862,889**	**192,920,742**	**3,350,991,234**
For the year ended 31 December 2020				
In patient revenue	641,834,106	130,874,573	44,592,077	817,300,756
Out patient revenue	1,462,074,394	115,143,064	103,731,169	1,680,948,627
Pharmacy	43,922,478	-	-	43,922,478
Other income	56,546,316	796,122	1,348,037	58,690,475
	2,204,377,294	**246,813,759**	**149,671,283**	**2,600,862,336**
Rental income	3,591,738	660,000	68,450	4,320,188
Total revenue	**2,207,969,032**	**247,473,759**	**149,739,733**	**2,605,182,524**
For the year ended 31 December 2019				
In patient revenue	564,162,461	106,026,245	38,761,620	708,950,326
Out patient revenue	1,369,054,266	88,785,260	97,512,939	1,555,352,465
Pharmacy	47,324,306	-	-	47,324,306
Other income	95,641,979	8,631,605	34,439	104,308,023
	2,076,183,012	**203,443,110**	**136,308,998**	**2,415,935,120**
Rental income	3,893,603	460,000	236,592	4,590,195
Total revenue	**2,080,076,615**	**203,903,110**	**136,545,590**	**2,420,525,315**

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the years ended 31 December 2021, 31 December 2020 and 31 December 2019.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the years ended 31 December 2021, 2020 and 2019, fair values of derivative financial instruments amounted to:

	As at 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Derivative financial instruments liability (note 23)	**32,463,738**	**34,961,714**	**24,443,657**

The Group enters into derivative financial instrument transactions with various banks and financial institutions with investment grade credit ratings.

The management assessed that the fair values of all other financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

23 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into a profit rate swap agreements to manage the interest rate exposure. The changes in the fair value of the derivatives amounting to AED 2,497,976 (profit), AED 10,518,057 (loss) and AED 20,739,493 (loss) for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 respectively and is included as a component of other expenses in the consolidated statement of comprehensive income.

The fair values of the Group's derivative financial instruments as at 31 December are as follows:

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Profit rate swaps – non-current liabilities (note 22)	**32,463,738**	**34,961,714**	**24,443,657**

23 DERIVATIVE FINANCIAL INSTRUMENTS continued

Profit rate swaps:
The Group uses derivative financial instruments to manage the interest rate risk. As at 31 December 2021, 31 December 2020 and 31 December 2019, the Group entered into various interest rate swap agreements to limit our exposure to interest rate increases related to a portion of the floating rate indebtedness. As at 31 December 2021, 31 December 2020 and 31 December 2019, the aggregate notional principal amounts of the outstanding interest rate swap contracts amount to AED 927,169,991, AED 866,132,727, AED 897,957,718 respectively. The derivative financial instruments represent the recognition of a financial liability amounting to AED 32,463,738, AED 34,961,714, AED 24,443,657 as at 31 December 2021, 31 December 2020 and 31 December 2019, respectively, relating to the fair value adjustment of the profit rate swaps. The fair values of the profit rate swaps are estimated using quotes from external sources or the counterparty to the instruments. In valuing unquoted instruments, valuation techniques, including discounted cash flow models and option pricing models, are used as appropriate. The loss on the interest rate swap is recognised in the consolidated statement of comprehensive income for respective years.

The following table analyses within the fair value hierarchy the Group's financial instruments measured at fair value at 31 December 2021, 31 December 2020 and 31 December 2019.

	Level 1 *AED*	*Level 2* *AED*	*Level 3* *AED*
Derivative financial instruments – Profit rate swaps measured at fair value:			
31 December 2021	**-**	**32,463,738**	**-**
31 December 2020	**-**	**34,961,714**	**-**
31 December 2019	**-**	**24,443,657**	**-**

The levels of fair value inputs used to measure the investments are characterised in accordance with the fair value hierarchy established by IFRS 7. The management uses its judgment and consider factors specific to the investment in determining the significance of an input to a fair value measurement. The three levels of the fair value hierarchy and investments that fall into each of the levels are described below:

Level 1: Level 1 inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Group uses Level 1 inputs for investments in publicly traded unrestricted securities for which the Group does not have a controlling interest. The Group does not measure the fair value of the financial instruments using Level 1 inputs as of 31 December 2021, 31 December 2020 and 31 December 2019.

Level 2: 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. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group measures the fair value of financial instruments using this category.

Level 3: Level 3 inputs are unobservable and cannot be corroborated by observable market data. The Group does not measure the fair value of the financial instruments using Level 3 inputs as of 31 December 2021, 31 December 2020 and 31 December 2019.

Due to the uncertainty inherent in the valuation process, such estimates of fair value may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. Additionally, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these instruments to be different than the valuations currently assigned.

23 DERIVATIVE FINANCIAL INSTRUMENTS continued

During the years ended 31 December 2021, 31 December 2020 and 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Changes in liabilities:

	At 1 January AED	*Cash flows AED*	*Non -cash transactions AED*	*At 31 December AED*
31 December 2021				
Derivative financial instruments – (non-current)	34,961,714	-	(2,497,976)	32,463,738
31 December 2020				
Derivative financial instruments – (non-current)	24,443,657	-	10,518,057	34,961,714
31 December 2019				
Derivative financial instruments – (non-current)	3,704,164	-	20,739,493	24,443,657

The 'Non-cash transaction' column includes the effect of changes in fair value of derivative financial instruments. The Group classifies these changes in fair value of derivative financial instruments is a non-cash activity and does not affect the statement of cash flows.

24 EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share amounts are calculated by dividing net profit or loss for the year attributable to the Owner of Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings (loss) per share amounts are calculated by dividing the net profit or loss attributable to the Owner of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings (loss) per share is as follows:

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Earnings (loss):			
Profit (loss) attributable to the Owner of the Parent	220,922,484	(46,274,151)	(127,215,506)
Number of shares			
Weighted -average number of ordinary shares for basic and diluted earnings (loss) per share	100	100	-
Earnings (loss) per share			
Basic and diluted earnings (loss) per share (AED)	2,209,225	(462,742)	-

The Company was incorporated on 7 January 2020 and therefore, there is no share capital at 31 December 2019.

25 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries of the Group that has material non-controlling interest is provided below:

	Country of incorporation	***Ownership 2021***	***Ownership 2020***	***Ownership 2019***
Lifecare Hospital LLC	UAE	**50%**	**50%**	**50%**
Lifecare International Pharmacy LLC	UAE	**50%**	**50%**	**50%**
Lifecare Clinic LLC	UAE	**50%**	**50%**	**50%**
Lifecare Medical Centre LLC	UAE	**50%**	**50%**	**50%**

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Lifecare Hospital LLC & Lifecare International Pharmacy LLC (i)	**18,362,338**	**4,897,815**	**(8,128,047)**
Lifecare Clinic LLC (ii)	**370,391**	**130,245**	**143,331**
Lifecare Medical Centre LLC (iii)	**(969,368)**	**(598,167)**	**139,021**
	17,763,361	**4,429,893**	**(7,845,695)**

i) Lifecare Hospital LLC & Lifecare International Pharmacy LLC ('Lifecare Hospital')

The summarised financial information of Lifecare Hospital is provided below. This information is based on amounts before inter-company eliminations.

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Statement of comprehensive income for the year:			
Revenue	**244,735,180**	**242,584,520**	**227,160,001**
Expenses	**(217,806,137)**	**(216,532,794)**	**(222,856,908)**
Profit for the year	**26,929,043**	**26,051,726**	**4,303,093**
Profit allocated to non-controlling interest	**13,464,522**	**13,025,863**	**2,151,547**
Statement of cash flows for the year:			
Cash flows from operating activities	**14,966,014**	**32,676,047**	**113,070,413**
Cash flows used in investing activities	**(1,341,960)**	**(3,426,305)**	**(1,415,453)**
Cash flows used in financing activities	**(11,500,003)**	**(11,500,000)**	**(114,232,451)**
Net cash inflows / (outflows)	**2,124,051**	**17,749,742**	**(2,577,491)**
Statement of financial position:			
Total assets	**293,176,857**	**287,918,153**	**275,722,399**
Total liabilities	**(256,452,181)**	**(278,122,523)**	**(291,978,493)**
Net assets (liabilities)	**36,724,676**	**9,795,630**	**(16,256,094)**
Accumulated non-controlling interest	**18,362,338**	**4,897,815**	**(8,128,047)**

25 MATERIAL PARTLY-OWNED SUBSIDIARIES

ii) Lifecare Clinic LLC ('Lifecare Clinic')

The summarised financial information of Lifecare Clinic is provided below. This information is based on amounts before inter-company eliminations.

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Statement of comprehensive income for the year:			
Revenue	**2,955,293**	**1,114,578**	**-**
Expenses	**(2,774,998)**	**(1,140,752)**	**(13,338)**
Profit (loss) for the year	**180,295**	**(26,174)**	**(13,338)**
Profit (loss) allocated to non-controlling interest	**90,148**	**(13,087)**	**(6,669)**
Statement of cash flows for the year:			
Cash flows from operating activities	**(74,657)**	**35,135**	**224,562**
Cash flows used in investing activities	**(225,343)**	**(35,135)**	**(224,562)**
Cash flows used in financing activities	**300,000**	**-**	**-**
Net cash (outflows) / inflows	**-**	**-**	**-**
Statement of financial position:			
Total assets	**2,353,526**	**827,280**	**533,261**
Total liabilities	**(1,612,743)**	**(566,790)**	**(246,599)**
Net assets	**740,783**	**260,490**	**286,662**
Share of non-controlling interest	**370,391**	**130,245**	**143,331**

iii) Lifecare Medical Centre LLC ('Lifecare Medical Centre')

The summarised financial information of Lifecare Medical Centre is provided below. This information is based on amounts before inter-company eliminations.

	At 31 December		
	2021 AED	***2020 AED***	***2019 AED***
Statement of comprehensive income for the year:			
Revenue	**1,910,788**	**1,248,488**	**-**
Expenses	**(2,653,191)**	**(2,722,864)**	**(21,958)**
Loss for the year	**(742,403)**	**(1,474,376)**	**(21,958)**
Loss allocated to non-controlling interest	**(371,202)**	**(737,188)**	**(10,979)**
Statement of cash flows for the year:			
Cash flows from operating activities	**135,573**	**(722,833)**	**1,046,876**
Cash flows used in investing activities	**(131,819)**	**730,999**	**(1,046,876)**
Net cash inflows	**3,754**	**8,166**	**-**

25 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

iii) Lifecare Medical Centre LLC ('Lifecare Medical Centre') continued

	At 31 December		
	2021	***2020***	***2019***
	AED	***AED***	***AED***
Statement of financial position:			
Total assets	**1,467,687**	1,446,761	1,784,827
Total liabilities	**(3,406,423)**	(2,643,095)	(1,506,785)
Net (liabilities) assets	**(1,938,736)**	(1,196,334)	278,042
Share of non-controlling interest	**(969,368)**	(598,167)	139,021