Al Noor Hospitals Group Plc
Results for the Year Ended 31 December 2013

Strong results and strategic progress positions the Group well for 2014

London and Abu Dhabi: Al Noor Hospitals Group Plc (ANHA.L; the "Company" or "Al Noor"), the largest private healthcare service provider in Abu Dhabi, today announces its results for the year ended 31 December 2013.

Financial Highlights

	FY 2013	**FY 2012**	**Change**
Revenue	$365.0m	$324.4m	+12.5%
Underlying Operating Profit (1)	$75.1m	$61.7m	+21.6%
Underlying EBITDA (1,2)	$82.8m	$70.8m	+16.9%
Net Profit for the year	$61.7m	$60.5m	+2.0%
Proposed Dividend	9 pence per share		

(1) before IPO and acquisition costs

(2) after adding back depreciation and amortisation of $7.7m for FY 2013, and $9.1m for FY 2012

Operational highlights

- Outpatient volumes rose from 1,505,518 to 1,672,485, a 11.1% increase and inpatient volumes increased by 13.7% from 35,590 to 40,475;
- A net of 120 revenue-generating doctors joined the Group by the year end, a 34.3% increase; 42 of these were from the two acquisitions.
- Acquired two important facilities each of which target specific health populations:
  - Manchester Clinic, Jumeirah, first entry into the Emirate of Dubai market
  - Al Madar Medical Center, provides specialised dentistry and cosmetics in Al Ain, Abu Dhabi's second largest city
- Signed an agreement to acquire Gulf International Cancer Center for US$21.8m, the only private cancer treatment centre in the Emirate of Abu Dhabi. An additional payment of US$2.7m to lease the land for 25 years and additional payments of up to US$2.2m subject to performance were agreed. The acquisition completed on 10 February 2014.
- Commissioned three new medical centres at Mamoura in Abu Dhabi, Sanaya in Al Ain and Muscat in the Sultanate of Oman, bringing the total number of centres to twelve.

Dr. Kassem Alom, CEO, Al Noor Hospitals Group Plc said:
“2013 was a very important year in Al Noor’s history. The Company performed well with strong growth across both inpatient and outpatient care. This growth demonstrates the calibre of our physicians and the increasing range of procedures we are able to offer. We successfully listed as a Premium Listing on the London Stock Exchange in June and following the Listing we moved ahead with our growth strategy and have made some important acquisitions which again strengthen our areas of expertise and reach, with our first footprints in Oman and Dubai.

“As we position our organization to move forward in the years ahead, our brand reputation, comprehensive strategy, and world-class people and facilities will give us the foundations necessary to capitalise on the expected continued growth in the market for healthcare services in the UAE. I look forward to 2014 and the coming years with optimism and confidence.”

Analyst and Investor Call
There will be an analyst meeting today at 09:00 GMT / 13:00 UAE at Brunswick’s offices, 16 Lincoln’s Inn Field, London, WC2.

Those unable to attend will be able to dial-in, details of which are as follows:

- **Dial-in number:** +44 (0)1452 555 566
- **Conference ID:** 4294257

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Cautionary statement

These Year-End Results have been prepared solely to provide additional information to shareholders to assess the Group's performance in relation to its operations and growth potential. These Year-End Results should not be relied upon by any other party or for any other reason. Any forward looking statements made in this document are done so by the directors in good faith based on the information available to them up to the time of their approval of this report.

However, such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

About Al Noor

Al Noor Hospitals Group Plc provides primary, secondary and tertiary care in the Emirate of Abu Dhabi and the wider region through its portfolio of hospitals and medical centres. As of 31 December 2013, the company had 224 operational beds and 578 physicians, more than any other private competitor in Abu Dhabi. The company is listed in on the London Stock Exchange (ticker: ANHA.L). For more information, please go to www.alnoorhospital.com.

CEO Review

Our financial performance has been strong with 12.5% growth in revenue driven by 11.1% and 13.7% growth in outpatient and inpatient volume respectively. Underlying EBITDA* increased by 16.9% to US$82.8m, and Underlying EBITDA* margin increased to 22.7%.

This performance was driven by several factors. First, we have kept pace with increasing demand by recruiting highly-skilled physicians. We have focussed our recruitment efforts to specialties driven by an ageing population, an increased incidence in lifestyle conditions, and service gaps in the market. This year we brought on board 78 net revenue-generating doctors. We believe wage inflation and attrition were well managed but remain key challenges. We believe that the addition of highly-skilled physicians is essential to maintain our international standards of care, to meet our population's needs, and to grow our volumes.

Second, we continued to expand our network of medical centers, opening in Mamoura in Abu Dhabi, Sanaya in Al Ain, and Muscat in Oman. We have strategically positioned new centers in residential areas that have been historically underserved and in newly populated communities where we have been first-to-market. By providing primary care in residential areas, we capture the demand close to home and are able to refer patients through our extensive network of secondary and tertiary care services.

Third, we agreed to acquire important facilities this year each of which target specific health populations. Manchester Clinic, Dubai is our first entry into the Northern Emirates market and Al Madar Medical Center in Al Ain, provides specialized dentistry and cosmetics.

The integration and development of new facilities are never without their challenges and we have learnt valuable lessons from some of the commissioning delays experienced to date. We will be dedicating additional resources going forward so that new clinics can be absorbed smoothly into Al Noor's way of working. This will continue to be an important aspect of our growth.

* underlying excludes $0.8m of non-underlying items relating to the administrative expense incurred on IPO and acquisition costs.

Service expansion

In 2013, we continued our long history of diversifying our services and have expanded our range of primary, secondary, and tertiary care services. We have invested in several areas of high acuity such as cardiac surgery, cardiology, orthopedics, and nuclear medicine. Additionally, we are now providing plastic and reconstructive surgery, colorectal surgery, and laparoscopic gynecology. Our ability to offer patients a full spectrum of integrated and advanced services, or a 'continuum of care,' differentiates us from our competitors. This, combined with our internationally- recognized standards of quality care and patient safety, enables us to maintain our position as market leaders.

Business Review

Operating KPIs	FY 2012	FY2013	Change
Outpatient Visits (1)	1,505,518	1,672,485	11.1%
Average revenue per out-patient(US $) (2)	154	158	2.7%
Outpatient revenue (US $.m) (3)	241.0	274.5	13.9%
In-patient admissions (1)	35,590	40,475	13.7%
Average Revenue per in-patient (US $) (2)	2,343	2,237	-4.5%
In-patient revenue (US $, m)	83.4	90.6	8.6%
Total Revenue (US $,m)	324.4	365.0	12.5%
Bed Occupancy Rate (4)	59%	66%	7%
Average Length of Stay	1.79	1.74	-2.8%
Physical KPIs6	**FY 2012**	**FY 2013**	**Increase**
No of Operating Beds	225	224	-1
No of Revenue Generating Doctors	350	470	120
No of Other support Doctors	86	108	22
No of Nursing Staff	732	764	32
No of other Medical Staff (5)	608	687	79
No of Admin Support Staff	1,588	1,698	110

1 Excludes follow-up visits
2 Includes revenue from provision of medical and hospital services, laboratory, radiology and pharmacy services and excludes Proj, Commercial, and Other Misc. Income

3 Includes revenues from projects, Pharmacy, Commercial Division, and other Miscellaneous income.
4 Calculated by dividing the number of total in-patient nights by the number of bed days (number of days multiplied by number beds) available during the year.
5 Includes pharmacists, assistant pharmacists, technicians and other medical staff
6The physical KPIs are stated as of 31 December 2013.

Outlook

We operate in one of the fastest growing sectors in the Gulf region due to a rapidly ageing demographic, an increasing incidence of lifestyle-related medical conditions such as diabetes and obesity, and service gaps in the current healthcare market. Our growth strategy will continue to focus on meeting the strong demand driven by these three factors while continuing to invest in high quality care and creating an exceptional patient experience. We are confident that these initiatives will position Al Noor to continue leading its existing market while entering new ones.

While demand continues to grow, the UAE government is committed to creating a healthcare system that is comparable to the world's most developed nations. The government has identified gaps in both quality and quantity, and is inviting the private sector to contribute strongly to the growth and development of the national healthcare system. As the leading private healthcare provider in the Emirate, Al Noor has stepped forward to partner with the Health Authority – Abu Dhabi (HAAD) in their goal to improve the health sector overall.

Financial Review

In 2013, the Company continued to grow strongly, reflecting the Company's leadership position in the UAE and the growing demand for healthcare services. Group revenues increased 12.5% to US$365m. This growth was driven by a 11.1% growth in outpatient volume and 13.7% in inpatient volume

The Company hired 78 net additional revenue generating doctors in 2013, in addition to the 42 doctors that were added from the two acquisitions and has placed them at various locations across the Group. The hiring of doctors has enabled the Company to add new services and expand existing services across all its hospitals and clinics.

As a result of the emphasis on hiring of physicians and the two acquisitions, the number of revenue-generating doctors increased by a net of 120 doctors in 2013. A vastly improved hiring process and simplification of licensing has helped the Company increase doctor numbers.

	FY2012	FY2013
No. of FTE Revenue-generating doctors	**350**	**470**
# growth since FY 2012A		120
% growth since FY 2012A		34.3%
No. of Outpatient Encounters	**1,505,518**	**1,672,485**
% growth (since FY 2012A)		11.1%
Inpatient / Outpatient encounters (IP conversion ratio)	2.36%	2.42%
No. of In-patient Admissions	**35,590**	**40,475**
% growth (since FY 2012A)		13.7%

Underlying EBITDA increased by 16.9% to US$82.8m and underlying EBITDA margin improved by 0.9% to 22.7%. Underlying operating profit was US$75.1m an increase of 21.6% compared with FY 2012.

The underlying net profits for the year (before exceptional costs) increased by 18.2%. The exceptional items were IPO costs of $ 6.1m, write off of unamortized facility arrangement costs $2.9m due to early repayment of the 2013 loan, and other cost mainly related to acquisitions. Profits for the year after tax and non-underlying items has increased by 2.0%. The underlying Basic EPS for the year before exceptional items grew from 60.5 cents to 65.3 cents per share, an increase of 7.9%. After exceptional items, which mainly consist of IPO costs and costs of writing off early loan payment, Basic EPS decreased by 6.9% to 56.3 cents.

Dividend

At IPO, the company had indicated an intention to adopt a policy of distributing dividends in the range of 20%-30% of annual profits after tax. The Board has since reviewed the results for the year and recommends a dividend of 9 pence per share to be paid in cash for the year ended 31 December 2013. This will be paid on 11 April 2014 to all ordinary shareholders who were on the register of members on 14 March 2014. This amount reflects a distribution of 28% of the Profits After Tax for 2013.

Balance sheet

Net proceeds from the IPO were $133.6m after deducting of IPO related costs of $16.4m. These proceeds were partially used to pay down all of the existing debt ($125m) that was outstanding as at 31 December 2012. At the year end the Company had a net cash position of $107.4m and a committed unutilised revolver facility of $82m. This facility is usable for future acquisitions, capital expenditure and working capital purposes.

Our average working capital to revenue has improved from 16.5% at the end of 2012 to 13.3% at the end of 2013 which helped improve cash from operations.

THE CHAIRMAN'S STATEMENT

The Company has had an outstanding year. Among its many achievements, 2013 saw us complete in June the successful listing of the Group on the London Stock Exchange.

Investors' confidence in the Company is strongly demonstrated by the fact that 34% of the Company is now owned publicly. This confidence is based on the Company's long history, excellent reputation, and strong financial performance.

In our core market in the UAE, the drivers of healthcare demand are robust, with the average healthcare spending per capita still considerably lower than in developed countries, despite UAE GDP per capita being one of the highest in the world. This gap will close and we expect it to lead to significant growth in the healthcare sector. I believe that the Company's deep roots, ambitious strategy, and talented management team positions the Company to take advantage of this expected growth. The Company is in this position today as a result of the vision and leadership of the founder and CEO of Al Noor, Dr. Kassem Alom.

The Company's revenue grew by 12.5% to US$365m and underlying EBITDA* grew 16.9% to US$82.8m. In parallel, the management continues to strengthen clinical governance and to raise the standards of care. This performance has been made possible by our 3,727 managers and staff who I would like to thank for their dedication to the patients who choose us as their trusted care provider every single day.

The competitive landscape in the Emirate of Abu Dhabi continues to evolve with a number of new providers entering the market in 2013. Additionally, we continue to experience challenges with physician retention. Despite these developments, we believe that we are well positioned to continue deliver on our growth plan through market leadership.

In 2013 we have continued to deliver our strategy:

- We increased the number of revenue-generating doctors by 34.3%. The hiring of these doctors helped us to establish new services and to expand existing services, including neurology, vascular surgery, cardiology, gastrointestinal surgery, podiatry and orthopedics. This increase in doctors drove outpatient volume growth by 11.1% and inpatient volume by 13.7% and positions us well for continued growth in 2014 and beyond.
- We opened three new medical centers with more scheduled to become operational in 2014.
- We are taking on additional space at our Khalifa Street Hospital and have taken the initial steps to develop a new 40 bed hospital in Al Ain.
- We announced the two acquisitions expected at the time of the IPO, in addition to a third medical center acquired in the Emirate of Dubai. The company continues to look for opportunities in the UAE with a focus on Dubai where universal health coverage was announced last November.

We will continue to focus on organic and acquisitive growth in our core Abu Dhabi market and will look to expand the Group geographically, focusing initially on the Emirate of Dubai where we expect growth to be underpinned by the introduction of mandatory universal health insurance. With net cash of US$107m at 31 December, together with our unutilised debt facilities, we have necessary financial resources to execute our strategy.

The Board has worked closely with management to ensure the highest standards of governance including the formation of a Clinical Quality Committee to oversee clinical governance and the formation of an ethics committee. The Board and management believe that the health of our Company is tied to the health of our patients. The entire organization is setting its sights to deliver internationally-recognized standards of medical and clinical care and patient outcomes.

The Company has achieved a great deal in 2013. With our deep local roots, strong reputation, and clear strategy to deliver organic and acquisitive growth, we are in an excellent position to capitalize on the expected growth in the market for healthcare services in the UAE. The Board looks forward to the coming years with enthusiasm and optimism.

IAN TYLER
NON-EXECUTIVE CHAIRMAN

*Underlying EBITDA is calculated as underlying Results from Operating activities plus Depreciation and Amortization. Underlying Results from Operating activities can be obtained from the Consolidated Statement of Profit or Loss and Other Comprehensive Income, while Depreciation and Amortization can be referred to notes 18 and 19 on the Consolidated Financial Statements.

CHIEF EXECUTIVE'S REVIEW

As the founder and CEO of Al Noor Hospitals Group Plc, I am proud to say that we have had a landmark year. When I established Al Noor in 1985 as a polyclinic, I could not have anticipated that we would grow to become the largest private healthcare provider in Abu Dhabi. Nor could I have imagined that in the year 2013, the Company would be listed on the premium segment of the London Stock Exchange, raising US$150m to underwrite our next growth phase.

At this remarkable milestone, I am particularly proud of the fact that over the past 28 years we have created an environment that attracts some of the best-in-field professionals from across the world – some of whom have been with us since the earliest days. Together, we have realized this remarkable achievement by creating a culture of excellence, by being the first to bring advanced healthcare services and techniques to the Emirate, and by continually earning the trust of our nation's people. Today, with continued investment in advanced practice and the latest technology, we continue to provide outstanding care to patients in our three hospitals and twelve medical centers.

EMPLOYEES

At the core of our success will always be the spirit of patient care that was first delivered by a group of young physicians nearly 28 years ago, constantly pushing themselves and our organization to improve. Our enduring commitment to excellence has been the platform for our organization's strong reputation and for our financial success.

I would like to recognize and thank all of our employees, management and staff alike, for their dedication and for the passion they bring every day to improve the lives of our patients. They have been, and continue to be, the fundamental strength of our company and reside at the heart of everything we do.

I would also like to take this opportunity to thank our management team for their unyielding commitment to achieve excellence in all aspects of our business. I particularly want to extend my gratitude to the Executive Team for their extraordinary effort in preparing the organization to undertake our IPO process. The outcome was a tremendous success for which we all stand proud.

DR. KASSEM ALOM
CHIEF EXECUTIVE OFFICER

BUSINESS MODEL & STRATEGY

Within the Emirate of Abu Dhabi, the Company has a strategic presence in the three geographical areas of Abu Dhabi, Al Ain, and the Western Region. Furthermore, our integrated healthcare service offering is one of the most comprehensive amongst healthcare providers in the UAE. In addition to providing core medical, surgical and emergency services, we have differentiated ourselves in the Emirate of Abu Dhabi healthcare market by offering specialized and complex services. This combination of the Company's wide geographic footprint and its Continuum of Care operating model, along with our commitment to the highest standards of medical care, has allowed us to differentiate ourselves from competing providers and capture and retain the broadest possible patient base.

HIGH QUALITY CARE AND DIFFERENTIATED POSITIONING

We believe that the foundation of our leading position among private healthcare service providers in the Emirate of Abu Dhabi is our continuous focus on providing high quality medical services. This has allowed us to differentiate ourselves from competing private healthcare providers in Abu Dhabi.

We are also the preferred private hospital for outpatients and inpatients in Abu Dhabi, including, in particular, Thiqa and Enhanced patients, based on a survey of patients' preferred hospitals for inpatient and outpatient care conducted by GRMC Advisory Services in 2013.

We are committed to hiring the most highly skilled and experienced physicians available. This is evidenced by the fact that 52% of our consultant physicians are ranked HAAD Tier 1, which indicates certification, fellowships or boards awarded in North America, certain Western European countries, Australia, New Zealand and South Africa. Many of our physicians have academic appointments and several have been asked to sit on HAAD committees in their respective specialties.

The current combination of Al Noor's wide geographic footprint in the Emirate of Abu Dhabi, and its Continuum of Care operating model, which is designed to provide the highest quality of medical care using a vertically integrated network. This has allowed us to capture and retain the broadest possible patient base. In 2013, members of Thiqa, the plan for UAE Nationals, comprised 24.2% and 23.9% of inpatient and outpatient volume respectively. Members of Enhanced plans, insurance for higher income expatriates, represented 46.5% and 42.7% of our inpatient and outpatient volume respectively. Individuals on the Basic plan, the plan that insures lower income expatriates, comprised 29.3% and 33.4% of our inpatient and outpatient volume respectively. The Thiqa and Enhanced patient populations also generate a higher value per claim than Basic plan holders, as illustrated by the table below that provides information compiled by HAAD for 2012:

	Average Net Claim (US$)	
	Inpatient	Outpatient
Thiqa	4,053	115
Enhanced	2,775	87
Basic	2,416	40

SCOPE OF SERVICES

In addition to providing core medical, surgical and emergency services, we have differentiated ourselves in the Emirate of Abu Dhabi healthcare market by offering specialized and complex services such as thoracic and cardiac surgery, bariatric surgery, renal dialysis, nuclear medicine and a fertility center. We believe that our integrated healthcare service offering is one of the most comprehensive amongst healthcare providers in Abu Dhabi, and allows us to provide international standards of patient care, with a particular focus on clinical excellence and patient safety, and a commitment to ensuring the best possible healthcare for those we serve.

A diagram illustrating the Continuum of Care we provide to our patients through our integrated healthcare service network can be found on page 31 of the 2013 Annual Report.

While most medical and surgical specialties are offered across the various facilities, the majority of tertiary interventional and surgical procedures, which are in high demand, are concentrated at our purpose-built Airport Road Hospital. In addition, we have developed ancillary and diagnostic services across all our facilities to complement the clinical service lines.

CENTRALIZED CORPORATE OPERATIONS

As part of our strategy to improve operational efficiencies, we have centralized certain functions used across our healthcare network, which include finance, HR, marketing, transportation, accommodation materials management IT, projects, revenue cycle, Continued Medical Education and engineering. The remaining functions are decentralized, with clinical and operational responsibility left with the respective hospital management teams. Management believes that this business is scalable and will facilitate future organic expansion as well as enabling the effective integration of any acquired facilities.

STRATEGY

The Company is passionately dedicated to keeping our business strong and growing by providing exceptional patient care. As part of our journey to become a world leader in healthcare, in 2012/13, our leaders and staff completed a comprehensive analysis of the entire organization. The result is an ambitious 5-Year Strategic Plan that is transforming the corporation structurally and operationally and, moving forward, will be our blueprint for success.

1. MAINTAIN SUPERIOR MEDICAL QUALITY

Continue to lead the market in terms of medical quality including the implementation of several initiatives to maintain and extend Al Noor's market leading standards for clinical quality, including the further recruitment of top medical talent and continued service delivery at international standards of best medical practice.

2. CONTINUE TO IMPROVE OPERATIONAL EFFICIENCIES

Continue to improve clinical and administrative operational efficiencies by, for example, improving utilization of resource intensive facilities like operating rooms as well as centralizing or consolidating certain ancillary services such as laboratory services.

3. CONTINUE TO GROW WITHIN EXISTING HOSPITAL FACILITIES

Continue to grow within existing hospitals by aligning with HAAD-identified gaps in the healthcare services market, predicted disease trends and an ageing population.

4. CONTINUE TO GROW NETWORK OF MEDICAL CENTERS

Continue to grow network of outpatient medical centers to increase accessibility for patients, expand the Company's integrated network and provide primary care services in strategically chosen locations.

5. EXPANSION OPPORTUNITIES IN THE EMIRATE OF ABU DHABI

Pursue expansion opportunities in Abu Dhabi to increase capacity in the medium term, including the facilities at Airport Road Hospital.

6. PURSUE GROWTH OPPORTUNITIES TO EXPAND INTO NEW GEOGRAPHIC MARKETS AND INTO NEW SERVICE LINES

Pursue growth opportunities to expand into new geographic markets and into new service lines, with a particular focus on expanding the network into other Emirates in the UAE, such as the Emirates of Dubai and Sharjah, and in the longer term to expand into the wider GCC.

COMPANY HIGHLIGHTS 2013

FINANCIAL HIGHLIGHTS

- Group revenues increased 12.5% to US$365m, compared with FY2012 revenue.
- The increase in revenue was driven by an 11.1% increase in outpatient volume and an increase in inpatient volume by 13.7%. In turn was driven by the addition of 120 doctors including acquisitions which included recruitment of 78 additional revenue generating doctors net of attrition, a 34.3% increase compared with December 2012.
- Underlying EBITDA increased 16.9% to US$82.8m compared with FY2012.
- Underlying Operating Profit of US$75.1m, an increase of 21.6% compared with FY 2012.
- Total capital expenditure during FY2013 was US$23m, of which US$18m was spent on existing hospitals, and information technology. The capital expenditure spent on new medical centres was US$2m. Additionally, an amount of US$3m was paid for the Al Madar and Manchester Clinic acquisitions net of cash and payables. The Company acquired two operational medical centres at a total cost of US$16m.
- US$134m of net proceeds raised from the IPO.
- The entire loan outstanding at IPO of US$113.7m was paid off and the Company's net cash position at year end was US$107m. An acquisitions and working capital facility of US$82m remains unutilised at year end.
- The proposed first annual dividend is of 9 pence per share amounting to 28% of the Profit after Tax for FY2013.

BUSINESS HIGHLIGHTS

- Recruitment of physicians was a key activity in 2013. 78 (net) Revenue-Generating Physicians were added, with a further 42 added from the acquisitions.
- The acquisition of two operating medical centers, Al Madar Medical Center and Manchester Clinic were completed for a total consideration of US$16m.

- The agreement to purchase the Gulf International Cancer Center was signed in December 2013 and the transaction was completed on 10 February 2014.
- New medical centers at Mamoura, Sanaya, and Muscat became operational in 2013.
- JCI accreditation at Al Ain Hospital was successfully renewed.

PRIORITIES AND OUTLOOK 2014

2014 PRIORITIES

- Two new medical centers at Baniyas and Bateen are expected to commence operations in Q1 2014.
- Continue to recruit doctors to meet rising demand.
- A number of smaller satellite clinics are being fitted out at industrial workers' residential facilities.
- Lab consolidation is expected to commence in 2014.
- The Company will also be working towards acquiring additional space at the existing Khalifa Street Hospital. Significant facility upgrades at the hospital will be carried out in 2014 and 2015.
- We will focus on integrating the two acquisitions we have concluded in order to expand the Company's footprint.
- A lease has been signed for a new 40 bed hospital under construction in Al Ain. This hospital is expected to become operational in 2016.
- The Company is focusing its efforts on increasing its presence in the Emirate of Dubai by actively searching for opportunities.

OUTLOOK

- The outlook for the UAE economy continues to be strong, providing a positive environment for growth.
- The Emirate of Dubai formally announced the introduction of universal health coverage. This positive development, together with the award of Expo 2020, makes Dubai an attractive market.
- 2014 has commenced well with revenue across Hospitals and Medical Centers showing growth over 2013 in the first month of trading.

KEY PERFORMANCE INDICATORS

NUMBER OF REVENUE GENERATING DOCTORS AS OF 31 DECEMBER

The number of revenue-generating physicians increased from 350 to 470 during 2013. The recruitment of doctors is essential for the company to meet demand and growth in volume.

UNDERLYING OPERATING MARGINS

Underlying operating margin increased from 19% to 20.6% demonstrating the Company's ability to control costs. Management continuously seeks and evaluates opportunities to improve operating margin.

FINANCIAL KPI'S

	As of and for the year ended 31 December		
	2011	2012	2013
Gross Margin	40.2%	41.8%	42.3%
Underlying Operating Margin(1)	17.2%	19.0%	20.6%
Working Capital to Sales(2)	13.1%	16.5%	13.3%
Capital Expenditure(3) (US$m)	8.2	7.2	23.4
Cash Conversion %	79.0%	59.0%	75.6%
Basic EPS(4) (Cents)	50.8	60.5	56.3
Diluted EPS (5) (Cents)	50.8	60.5	56.2

(1)Underlying Operating Margin is calculated as Revenue from operating activities divided by Revenue, and can be obtained from Consolidated Statement of Profit or Loss and other Comprehensive Income.
(2)Amount payable for investment in subsidiary included in trade and other payables are excluded.
(3)Capital expenditure is net of cash and payables as part of acquisition.
(4)The weighted average no. of shares used for calculating Basic EPS for 2011 and 2012 are 100 million and 108.965 million shares for the year 2013.
(5)The weighted average no. of shares used for calculating Diluted EPS for 2011 and 2012 are 100 million and 109.240 million shares for the year 2013.

	As of and for the year ended 31 December		
Cost Structure	2011	2012	2013
Cost of medicine, cosmetics and consumables	28.5%	25.5%	23.7%
Medical staff cost	28.9%	30.3%	32.3%

Other COGS	2.4%	2.3%	1.6%
Rent	4.3%	4.6%	4.4%
SG&A*	18.7%	18.2%	17.4%
TOTAL	82.8%	81.0%	79.4%

* SG&A for 2013 does not include non-underlying items (0.2%).

PHYSICAL & OPERATIONAL KPIs

	As of December	
	2012	2013
Operational beds	225	224
Employees	3,364	3,727
Surgical theaters	12	12
Inpatients	35,590	40,475
Outpatients	1,505,518	1,672,485
Physicians (Revenue generating)	350	470
Physicians (Non-revenue generating)	86	108
Nurses	732	764

	As of December 2013		
	Khalifa	Airport Road	Al Ain
Operational beds	80	94	50
Employees	947	1,038	702
Surgical theaters	4	5	3
Physicians	168	155	101
Nurses	223	257	152

FINANCIAL & OPERATING REVIEW

In 2013 the Company has continued to grow strongly, reflecting the Company's leadership position in the UAE and the growing demand for healthcare services. Revenue for the year was 12.5% higher than 2012. This growth was driven by a 13.9% growth in outpatient revenue and a 8.6% growth in inpatient revenue during the year.

The hiring of 78 net additional revenue-generating doctors during 2013 was important to this volume growth, as were a number of other initiatives to expand the range of services in our hospitals and medical centers.

- Underlying EBITDA increased 16.9% to US$82.8m compared with FY2012.
- The underlying EBITDA margin improved by 0.9% to 22.7%.
- Underlying Operating Profit of US$75.1m, an increase of 21.6% compared with FY2012.

ADJUSTED AND STATUTORY RESULTS

The underlying net profits for the year (before non-underlying costs) increased by 18.2%.

Underlying Profit for the year	US$71,507
Listing transaction costs	US$6,134
Unamortized facility costs	US$2,881
Others	US$822
Profit for the year	US$61,670

Profit for the year after tax and non-underlying items has increased by 2.0%.

EARNINGS PER SHARE

The underlying Basic EPS for the year before non-underlying items grew from 60.5 cents to 65.3 cents per share, an increase of 7.9%.

After non-underlying items, which mainly consist of IPO costs and costs of writing off early loan payment, Basic EPS decreased by (6.9%).

BALANCE SHEET, USE OF IPO PROCEEDS AND WORKING CAPITAL

Net proceeds from the IPO were US$133.6m after deduction of IPO related costs of US$16.4m. These proceeds were partially used to pay down all of the existing debt ($113.7m). At the year end the Company had a net cash position of US$107m and a committed unutilised revolver facility of US$82m. This facility is available for future acquisitions, capital expenditure and working capital purposes.

Our average working capital to revenue has improved from 16.5% at the end of 2012 to 13.3% at the end of 2013 as a result of improved cash generation from operations.

FINANCIAL REVIEW

REVENUE

- Group revenues increased 12.5% to US$365m, compared with FY2012.

This growth was driven by a 9.7% growth in outpatient volume and 13.7% in inpatient volume (excluding acquisitions). The Company hired 78 additional revenue generating doctors in 2013 (net of attrition), excluding the 42 doctors that were added from the two acquisitions. The hiring of doctors has enabled the Company to add new services and expand existing services across all its hospitals and medical centers.

A number of initiatives were launched at our hospitals and medical centers to drive growth. One of our NICUs was expanded, an Endoscopic Retrograde Cholangiopancreatography service was developed, an additional operating room for day cases and a convenient short stay unit were commenced, and new doctors were recruited in neurology, vascular surgery, cosmetic dermatology, gastroenterology, Cardiology, gastrointestinal surgery, psychiatry, podiatry and orthopedics.

OUTPATIENT AND INPATIENT VOLUMES

As a result of the emphasis on the hiring of physicians and the two acquisitions, the number of revenue-generating doctors increased by a net of 120 doctors in 2013. A vastly improved hiring process and simplification of licensing has helped the Company increase doctor numbers.

	2013*	2012	change
Number of Revenue generating Doctors	470	350	34.3%

*42 from two acquisitions

OUTPATIENT AND INPATIENT VOLUMES AND AVERAGE REVENUES

The hiring of doctors across the Company's various hospitals and clinics helped increase the outpatient and inpatient volumes.

	2013	2012	change
Outpatient volumes*	1,672,485	1,505,518	11.1%
Inpatient volumes	40,475	35,590	13.7%

* from two acquisitions 21,556

Average revenue per outpatient improved by 2.7% as a result of changes in case mix, insurer mix and improved claims management. Average revenue per inpatient declined by 4.5% as a result of changes in case mix with more day case surgeries being performed. The increase in number of doctors has increased inpatient volumes, but resulted in higher number of day case surgeries and slightly lower Average Length of Stay.

	2013 (US$)	2012 (US$)	change
Average Revenue per Outpatient	158	154	2.7%
Average Revenue per Inpatient	2,237	2,343	(4.5%)

The average number of patient seen per revenue-generating doctors declined due to the large number of new hires and the time lag needed to establish practice. The number of beds remains unchanged, with bed utilization improving.

	2013	2012	inc %
Average no. of Outpatients per doctor	3,860	4,505	(14)%
Bed Utilization %	66%	59%	7%

The growth in doctor numbers coupled with the factors mentioned below under Operations Review have contributed to the growth in Outpatient and Inpatient Revenues in 2013 as below:

	2013 (US$m)	2012 (US$m)	inc %
Outpatient Revenue	274.5	241.0	13.9%
Inpatient Revenue	90.6	83.4	8.6%

COST STRUCTURE

The group continues to demonstrate an overall stable cost structure as shown in a graph on page 41 of the 2013 Annual Report.

The increase in medical staff costs as a percentage of net revenue was due to the Company absorbing new hires faster than it is has in the past. Cost of medicines & consumables as a percentage of revenue decreased due to successful pricing negotiations with suppliers. Together, these have resulted in a slight improvement in gross margin.

MEDICAL STAFF COSTS

	2013 (US$m)	2012 (US$m)	inc %
Medical Staff Costs	118	98.3	20%
Medical Staff Costs %	32.3%	30.3%	2.0%

COST OF MEDICINE AND CONSUMABLES

	2013 (US$m)	2012 (US$m)	inc %
Cost of medicine and consumables	86.5	82.8	4.4%
Cost as a % of revenues	23.7%	25.5%	-1.8%

(*)The Company saw an inflation of 5% in the average cost of doctors in 2013, whilst the cost of other medical staff was flat.

GROSS MARGINS

	2013	2012	inc %
Gross Margin %	42.3%	41.8%	0.5%

SELLING & DISTRIBUTION OVERHEADS

Except for the cost of new premises rented (for new clinics) and certain increased expenses associated with the Company now being public, there have been no major increases in overheads in 2013.

RENT

The break-down of rental expenses is as follows:

	2013 (US$m)	2012 (US$m)	inc %
Existing Premises	15.2	14.9	2.0%
New Clinics & Acquisitions	0.9	0	

INTEREST & TAXATION

Interest cost this year was incurred during the first six months (US$7.3m), of which US$2.9m is classified as non-underlying cost. The entire loan outstanding at IPO has since been settled, and as a result, unamortized facility costs of US$2.9m has been written off in the income statement

The company subsequently incurred a commitment fee on the US$82m capex/working capital facility (US$0.4m for 7 months).

The Group has no tax liability as the Group operates mainly in the UAE. Results from Sultanate Oman and UK Plc reported a loss.

CAPITAL EXPENDITURE

Total capital expenditure during FY2013 was US$23m, of which US$18m was spent on existing hospitals, and information technology. The capital expenditure spent on new medical center was $2m. Additionally an amount of $3m was paid for Al Madar and Manchester Clinic acquisitions net of cash and payables.

The Company acquired two operational medical centers at a total cost of US$16m.

WORKING CAPITAL

Working capital as a % of Revenue improved from 16.5% to 13.3%.

This improvement comes as a result of debtor days improving from 83 to 70 and improved creditors days. Working capital management continues to remain a key focus area for the company.

CASH FLOWS AND CASH CONVERSION

The EBITDA adjusted for changes in working capital (excluding non-underlying items) has increased from $49m in 2012 to $86m in 2013. After working capital and routine capital expenditure of $23.4m, the Cash conversion for 2013 was 75.6% (2012: 59.0%).

GOODWILL ON ACQUISITIONS

Goodwill has increased by US$13m due to the acquisition of the Mamoura, Al Madar, and Manchester medical centers.

NON-UNDERLYING COSTS

During the year the company has incurred IPO costs amounting to US$6.4m and has written off financing costs pertaining to a prepaid loan (as a result of early repayment of a loan with the IPO proceeds) amounting to US$2.9m, and acquisition transaction cost of US$0.5m. These expenses have been treated as non-underlying costs in 2013.

Non-Underlying Cost in P&L	in US$m
IPO related cost*	6.4
Facility cost amortization due to repayment of Loan	2.9
Acquisitions transaction cost	0.5
Total	9.8

* IPO related cost of US$6.4m, recognized in Profit and Loss account separately as $6.1m under the head listing transaction cost and $0.3m under non-underlying administrative cost pertaining to LSE listing fee. The remaining amount of US$10.3m is recognized in Share Premium Reserve.

GOING CONCERN

Having made enquiries the Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these consolidated financial statements. Thus, they continue to adopt the going concern basis in preparing the financial information.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic review in the Annual Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and notes thereon set out below.

KEY PRIORITIES FOR 2014

We expect the market in the Emirate of Abu Dhabi to continue to be competitive in 2014 as other providers open new hospitals and clinics. There will be stiff competition for locally available medical staff. However, the reputation of our hospitals and medical centers, our commitment to quality care, our competitive benefits and compensation structure, and our healthy and friendly working environment should help us deal with these issues as well as attract skilled physicians.

- New Doctor hiring is targeted at the same levels as 2013; as the company seeks to attract and retain high calibre physicians from round the world to cater to the growing needs of the Abu Dhabi market.

- The integration of acquisitions and improving their operating performance is a key priority for 2014.

- In order to enhance competitive edge, the Company is launching a quality enhancement project "New Horizons" across the group which will initially involve the Khalifa Hospital and then be rolled across the Group.

- The Khalifa Hospital will undertake improvements to help improve the interiors of the hospital. This integrates other initiatives under way to improve the patient experience at the Hospital.

- To meet the growing demand in Abu Dhabi by patients seeking the Al Noor Hospitals services the Company is:

- taking up additional space at the existing Khalifa street Hospital to expand its clinic space and improve the patient experience.
- taking up additional space at the existing Al Ain Hospital – to expand clinic space and improve the patient experience.
- Signed a lease for new premises in Al Ain to develop a new 40 bed hospital, expected to commence operation in 2016.
- Developing plans for expansion of the Airport Hospital using surplus land available.

OPERATIONS REVIEW

2013 has been an active year of growth and development. We have expanded our already broad spectrum of services within our hospitals and medical centers and have extended our footprint within the Emirate, which includes the long term lease of a 40 bed hospital under construction in Al Ain. Our organization has also taken our first step into the neighboring Emirate of Dubai where we have opened a medical center.

NEW SERVICES IN EXISTING HOSPITALS

KIDNEY, EYE, ENDOCRINOLOGY CENTER ("KEE" CENTRE)

Al Noor Airport Road Hospital has been experiencing pressure on available clinic space as a result of existing service demand, as well as the development of new services. A former administration building on the campus has been entirely refurbished, to house the "KEE" specialties within a newly created two-storied facility, opened at the end of 2013. This has created greater capacity for the care of patients with diabetes and other endocrine disorders, kidney diseases including the use of dialysis treatment, the care of eye disease including a new laser eye treatment unit, and importantly the newly available service of podiatry. The care of feet, as well as eyes, is increasingly important in medical practice, and especially so in the substantial population of patients with diabetes.

PEDIATRIC CARDIOLOGY

The Al Noor Hospital at Khalifa Street provides extensive services to children, including 24 hour outpatient service, and is the busiest service in the hospital. A number of subspecialty services for children are planned, and the care of heart disease in children, as one such priority, has resulted in the opening in 2013 of a pediatric cardiology service, led by a highly trained and experienced Consultant in pediatric cardiology.

PEDIATRIC UROLOGY

The Company has for some time offered wide pediatric surgical expertise, and at a level of excellence and reputation that has more than once attracted international parents to travel and seek care for their child in Abu Dhabi's Airport Road Hospital. In 2013, we enhance staff expertise with the recruitment of a pediatric surgeon who will not only continue this general level of service excellence, but brings additional highly trained expertise in pediatric urology.

PLASTIC AND RECONSTRUCTIVE SURGERY

During 2013, the Company has successfully recruited a highly experienced plastic and reconstructive surgeon. This appointment has allowed the offering of services in the fields of cosmetically related procedures, as well as a wide range of reconstructive procedures necessary following trauma, severe infections, or even cancer care. The services are currently located and delivered at Airport Road hospital, with the intention to evolve toward a ' campus of care' specialty service delivery.

SPECIALIZATION IN COLON CANCER

Al Noor Airport Road Hospital is actively expanding a model of excellence in surgical care which includes professionals with wide experience in general surgical care as well as higher level sub-specialty surgical care. During 2013, we have recruited a highly experienced surgeon, who has specialized in the UK in the surgery and management of bowel cancer. This strategic appointment follows an agreed partnership between the Company and Abu Dhabi Health Authority to begin a Colon Cancer screening program for the public in the immediate future.

ACQUISITIONS

AL MADAR MEDICAL CENTER

Al-Madar Medical Center is located in the Al Khabisi area in Al Ain City. Al Noor acquired 75% of MMC for a purchase consideration of US$11m. The acquisition of MMC will allow Al Noor to extend specialized dentistry and cosmetic services to its patients in Al Ain. Additionally, most of MMC's patients are Emirati, in line with our objective of serving UAE Nationals.

MANCHESTER CLINIC

Manchester Clinic is located in the Jumeirah area in the Emirate of Dubai. Al Noor has acquired 75% of Manchester Clinic for a purchase consideration of US$5m. The clinic is situated in an attractive location in Jumeirah; with access to high income nationals and expatriates. The acquisition of this clinic is our first step into the Dubai healthcare market, in line with our strategy to grow into the wider UAE.

INFORMATION TECHNOLOGY

- Significant investment in hardware and SAP implementation commenced

With a view to improving the financial reporting, materials management and Revenue Cycle Management processes, the company has embarked on an ambitious hardware upgrade and SAP implementation plan across the Company in 2013. The implementation is spread over three years. Once implemented, the system should vastly improve the reporting capabilities of the company and facilitate quicker and easier integration of clinics and hospitals acquired in the future.

SUCCESSFUL 3-YEAR JCI REACCREDITATION OF AL AIN HOSPITAL

Al Noor Hospitals have each been "accredited" by the Joint Commission International, the largest accreditor of hospitals worldwide, and based in Chicago USA. After initial success, on-site accreditation surveys take place every three years, during which hospital performance is measured against over 1,000 measurable elements.

Al Noor Hospital in Al Ain prepared very diligently during the year for their Triennial JCIA survey, that was carried out in December 2013. Under the guidance of the Hospital Director, Medical Director, and leadership of Quality Management, the site received the exceedingly high score "very commendable" and site performance was very highly complimented by the Accreditors concluding the survey.

TRENDS AND DEVELOPMENTS THAT WILL AFFECT OUR COMPANY

The Emirate of Abu Dhabi health sector continues to grow strongly. The drivers of demand for health services in Abu Dhabi continue to make our sector one of the fastest growing ones in the emirate. First, we have a rapidly ageing population, with the population segment over 65 years growing at 9.2% annually. Second, we have incidences of lifestyle conditions such as obesity and diabetes that out us in the top ten countries for these two conditions. Diabetes and obesity are drivers of numerous medical conditions, such as diseases of the cardiovascular system, the kidneys and the eyes. Third, we continue to have gaps between supply and demand for several critical services. The regulator has identified services for which the current supply does not meet demand in Abu Dhabi. These include OBGYN, paediatrics, neonatology, cardiology, oncology, intensive and critical care medicine, emergency medicine and psychiatry.

EVOLUTION OF THE COMPETITIVE LANDSCAPE

The competitive landscape in the Emirate of Abu Dhabi continues to evolve with a number of new providers entering the market in 2013. We are unsurprised by this development as we have been monitoring the market for new competitors and are familiar with these new entrants' positioning and services. That new providers continue to enter the Abu Dhabi health sector indicates that we are in an attractive and growing market with strong drivers of demand and a gap between supply and demand. To remain competitive, we continue to invest in our facilities and equipment, have developed services not provided by other private players, and have redoubled our efforts to improve the patient experience. We believe that we are well positioned to continue delivering on our growth plans and being the market leader despite the additional competition.

INTRODUCTION OF UNIVERSAL HEALTH COVERAGE IN THE EMIRATE OF DUBAI

In November of this year, the Government of the Emirate of Dubai formally announced its intention to implement compulsory health insurance in the emirate. Implementation is expected to be similar to that of the Emirate of Abu Dhabi, with the aim of having all of the population covered by 2016. The Dubai healthcare sector is expected to grow significantly and rapidly as a result, in the same way the sector grew in the Emirate of Abu Dhabi after 2006. As financing transitions from out-of-pocket payments to employer-purchased insurance, the population will become less price sensitive and spending will rise. We expect the Emirate of Dubai sector to represent an excellent growth opportunity in the next few years and are actively searching for opportunities that would help us participate in that growth.

OUTSOURCING OF HEALTHCARE SERVICES BY THE GOVERNMENT

The government has historically played a key role in providing health services in the UAE, particularly in the Emirate of Abu Dhabi and the Northern Emirates. However, we are beginning to see the government becoming more interested in having the private sector play a role in managing and operating some of its facilities, although we expect it to be selective in what facilities it decides to allow the private sector to take over. We are actively monitoring this development and evaluating opportunities where we can provide our services.

NEW DEVELOPMENTS

- Long term lease of a 40 bed hospital currently under construction in Al Ain

The current Al Noor hospital in Al Ain is experiencing increasing congestion in the clinical spaces. In order to mitigate this growing issue, we have acquired a long term lease option for a new 40-bed hospital under early construction in the nearby vicinity. Al Noor strategic and operational planning is currently under way, to detail the clinical design and service provision for this new hospital. The new hospital build should be ready for occupancy in 2 years.

- Expansion and significant refurbishment of Khalifa Street Hospital to enhance care and the patient experience.

During 2013, a major refurbishing and environmental improvement project has begun at the Al Noor Hospital in Khalifa Street. Renovations are on-going, but the following were completed during 2013, and underline the scope and depth of change involved and evolving:

- New cardiology clinic.
- Expansion and opening of a new oncology (cancer care) clinic.
- Emergency department upgrade and expansion.
- Operating Theatre refurbishment.
- New inpatient pharmacy opened.
- First phase of centralization of laboratory services completed.
- New admissions office.
- Pre-anesthesia assessment clinic completed.
- New clinic environments for gastroenterology and ENT.
- Fire Alarm system upgrade.
- WiFi in all patient areas in clinic spaces.

KEY RISKS & UNCERTAINTIES

Identification and management of key risks faced by the Company are one of the key considerations for the Board of Directors and these are monitored at all levels.

The Company considers the identification and mitigation of risks as a key priority across the organization. Therefore the company has established a risk management framework that ensures that appropriate processes are in place and key risks are identified and managed effectively.

The quality departments at each hospital play a key part in identifying, managing and reporting risks at the Hospital level as part of the JCIA process. As part of its continuous improvement plans, the company periodically invests in the review of its quality management processes and medical services to ensure that its standards of patient care and safety are continuously enhanced.

As part of the year end processes during 2013 and in order to monitor and assess the effectiveness of internal controls, the management reviewed its internal controls with help from Deloitte, who support the Company’s internal audit director, and they made a number of recommendations for improvement.

The key risks, the potential impact and mitigation of risks are analyzed in the table below.

RISK	MITIGATION
GROWTH STRATEGY Our growth strategies may be adversely affected by our inability to identify or acquire suitable facilities for new hospitals or medical centers. Our growth may also be negatively affected by the inability to scale up the organizational resources (funds, human resources, leadership) and operations against the growing demands of the business.	The Company's business development function headed by the CSO is actively pursuing projects across the UAE. By targeting a number of opportunities at the same time, the Company is able to mitigate the possibility of not securing targeted facilities. We continuously evaluate potential investment opportunities. All acquisitions and disposals projects are reviewed by the Corporate Executive Committee as well as the Board and Audit & Risk Committee to provide guidance and alternate options, wherever needed. Each major project is supported by an extensive project plan and an Oversight Committee that approves the plan. The committee is responsible for regular monitoring; takes appropriate decisions and provides guidance/support to facilitate timely completion.
REPUTATION Company reputation is at risk if we are unable to act in an ethical manner, consistent with the stakeholders' expectations (including customers, suppliers, investors, etc.). Furthermore, if we do not continually enhance our facilities with the most recent technological advances in diagnostic and surgical equipment, it could affect our brand and reputation.	The Company has established an ethics framework that includes a code of business ethics, ethics committee and the ethics reporting and investigation procedures. The Company has also rolled out an anti-bribery policy and fraud reporting policies in the third quarter of 2013. As part of the annual budget process, we allocate capital expenditure for upgrading facilities on an ongoing process.
HUMAN RESOURCES Heavy dependence on key executives and potential loss of the services of (i) one or more of our key executives or (ii) a significant portion of our management personnel could weaken our management team. Furthermore, our performance depends on our ability to recruit and retain high quality doctors and other healthcare professionals, such as nurses and technicians.	A succession planning framework has been established and its implementation is in progress. Framework includes a process for the identification of key positions, appropriate successor(s), their training and regular reviews. Recruitment and attrition of medical staff are closely monitored and is included in the monthly management report that is reviewed by the Corporate Executive Committee. We have a program in place for employee performance management. As part of this program, performance of each employee is evaluated, at least on an annual basis and bonus payout is linked to the employees performance (except doctors and contractual bonus payouts).
COMPETITION We face competition from other hospitals and healthcare providers that may impact our revenues, profitability and market share. Hospitals compete on factors such as reputation, clinical excellence and patient satisfaction. We also face competition from other providers such as standalone clinics, outpatient centers and diagnostic centers and may face further competition from international healthcare companies.	Our strategy is focused on investing in our home markets where we have already established a significant presence and growing in those markets where we can apply our clinical expertise and quality of care to manage competition. We are focused on providing high quality care and patient satisfaction at all our facilities.
CUSTOMER RELATIONSHIPS The vast majority of our revenues come from a relatively small number of insurance providers. If our relationship with insurers deteriorates, we may not be able to negotiate favorable fee arrangements and/or our business may otherwise be adversely affected. We are also exposed to the risk that insurance companies reject, delay or refuse to make payment for claims we submit for medical services rendered to patients claiming coverage under such schemes.	The Company mitigates its exposure by maintaining strong relationships with insurance companies. The CEO and Board members also participate in meetings with the larger companies. The Company has established a process for rejection tracking and monitoring. Reasons for rejections are investigated and claims are resubmitted based on review by a separate team. Rigorous monitoring of rejection rates for each category/locations (e.g. hospitals, insurance company, claim type etc.) by the Board and the Senior Management and team including COO, CFO, and Hospital Directors etc. ensure timely identification of issues and remedial actions, as needed.

QUALITY OF CARE

Failure to maintain a high level of patient satisfaction and quality of care could result in damage to our reputation, significant financial loss (including medical malpractice suits) and difficulty in achieving licensing requirements.	A Committee at the board level (Quality Committee) has been established to oversee the quality of care and patient safety. Furthermore, there are also quality committees at each of the hospitals to monitor compliance with JCI standards and take appropriate actions to make sure that we are compliant with the accreditation standards. Regular patient satisfaction surveys are conducted and a Quality and Patient Safety Committee has been formed at the Corporate level to oversee that patient measures are linked with the satisfaction surveys. Local application of a wide range of clinical risk controls and regular monitoring aim to ensure that patients are protected from events that may lead to adverse outcomes.

GREENHOUSE GAS EMISSIONS

The Company provides quality primary, secondary and tertiary care through a network of two hospitals in Abu Dhabi City, one hospital in Al Ain and twelve outpatient medical centers across the Emirate of Abu Dhabi, Northern Emirates and Sultanate of Oman. In accordance with the UK Government regulatory requirements, the Company is reporting its Greenhouse Gas (GHG) emissions for the first time. The entities containing the GHG sources which we are reporting on are those which we include within our consolidated financial statements. We do not have responsibility for emission sources in entities that are not included in our consolidated financial statements.

For the 12 month period 1 October 2012 to 30 September 2013, the Company's GHG emissions were as below:

Scope	**Emissions from**	
Scope 1	Combustion of fuel & operation of facilities (In tonnes CO_2)	590(1)
Scope 2	Electricity and cooling purchased for own use (In tonnes CO_2)	16,937(2)
Total (In tonnes CO_2)		17,527
Total number of patients served during the period (in thousands)		1,662(3)
CO_2 Ratio (kgCO_2 per patient(4)		10.6

(1)Conversion factors provided by the UK government in the DEFRA Greenhouse Gas Conversion Factor Repository are used as it has not been possible to obtain conversion factors for fuel sold specifically in the UAE, where our vehicles and generators are located.
(2)Conversion factors applicable to the UAE have been obtained from the publication IEA CO_2 Emissions from Fuel Combustion (2012 edition).
(3)This denotes the total number of patients (inpatient and outpatients) served during the period from October 1, 2012 to September 30, 2013 to match the period for which GHG emissions are reported. It will therefore not tally with patient numbers reported in other sections of the Annual Report.
(4)The intensity measure of KGCO_2 emitted per patient served has been chosen because these GHG emissions are from facilities (hospitals and medical centers) that serve patients.

In calculating our GHG emissions, we have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), The Climate Registry General Reporting Protocol Version 2.0, the DEFRA Greenhouse Gas Conversion Factor Repository and the IEA CO_2 Emissions from Fuel Combustion (2012 edition).

The base year is the twelve month period from 1 October 2012 to 30 September 2013. This being the first year, the Company has measured its GHG emissions, we chose a 12 month period which is non coterminous with the financial year in order to allow time to collect the required data. Emissions reported above include those emanating from all businesses that would be treated as subsidiaries of the Group for financial reporting purposes for the 12 month period to 30 September 2013.

The Company is in the process of setting targets and developing associated action plans for GHG emission management and where possible, reduction.

EMPLOYMENT POLICIES

2013 was a year of on-going evolution at the Company, as the Human Resources Department continued to mature. Employment policies and procedures are designed to ensure we maintain a work environment that is transparent, consistent, and supportive of our staff. The Human Resources Department is working to develop a more client-centric operating model, while focusing efforts on strategic and enterprise level activities that guide staff management, employment conditions, and workforce planning. The Human Resources Department will also focus on recruitment and retention of staff to fuel our continued growth, and developing the leadership capacity of our staff (both clinical and nonclinical) through the implementation of a Leadership and Development Training Program.

Our Human Resources Polices are wide-ranging and comprehensive, ensuring that the Company gives full and fair consideration and compensation to applicants and employees without regard to race, religion, gender, nationality, or disability status. Should a Company employee become disabled while employed at the Company, we are firmly committed to arranging training, career development, and promotion opportunities for them.

Involving and engaging staff in the performance of the company is key to any company's continued success. In an effort to ensure fairness, transparency, and alignment of employee and corporate interests, the Company has implemented a Performance Management Program (PMP) for all staff. At the beginning of the year, staff develop personal KPIs which are aligned with corporate performance objectives. The achievement of these KPIs is a key component of the staff's year-end performance review.

Employee engagement and alignment applies to the Company's medical staff as well as our administrative and support staff. Moving forward, physician-specific KPIs will be determined when a medical staff member begins employment with the Company, then reviewed after a probationary period and repeated at regular intervals. The Credentialing and Privileging committee also uses this process to ensure adequate training and Continuing Medical Education is being received. Furthermore, when physicians learn new skills, their ability to practice those skills within the Company is dependent on the committee's detailed evaluation. The committee will decide whether the new procedure or technique will be carried out with full authority, or under supervision, or will not be allowed until further evidence of competency is provided. In this way, we can ensure that our physicians' clinical practice is aligned with their skill set and the Company's commitment to clinical excellence.

DIVERSITY

Al Noor and its leadership are clear in our recognition of the vital role that staff diversity plays in the health and competitiveness of the company. Workplace diversity provides significant benefits to the organization through improving staff morale, encouraging outside-the-box thinking, promoting greater teamwork, and creating and reinforcing an atmosphere of mutual understanding and respect. Our aim is to create an open, honest and unprejudiced working environment and to ensure that all our colleagues feel part of the Group and are respected as individuals.
We are committed to seeking out and retaining the best personnel available and do not engage in discrimination against or harassment of any person employed or seeking employment on the basis of race, color, national origin, religion, sex, gender, pregnancy, physical or mental disability, medical condition, ancestry, marital status, age, sexual orientation, or citizenship. We apply this to all of our employment practices, including recruitment, selection, promotion, transfer, salary, training and development, demotion, and separation.

Managing diversity requires that we recognize and embrace people's differences and view these differences as a valuable and integral part of our organizational DNA. Inculcating this ethos into the Company ensures that we continue to prevent discrimination and promote inclusiveness, further strengthening our reputation as an employer of choice. Not only does this enable us to attract the best talent from a competitive labor pool, we are confident that this approach will save us both time and money in recruitment and turnover costs.

Our commitment to staff diversity is reflected by our staff distribution profiles based on both Nationality and Gender. is a reflection of our continual effort to ensure that the best in field are recruited and that we seek excellence across all nationalities and across genders. In December 2012, the Cabinet of the UAE specifically promoted the inclusion of women on the boards of government companies and entities. As the role of women in the UAE workforce becomes more clearly defined, the directors are clear of the benefits that diversity in senior management and board positions can bring and will be actively seeking to emulate the lead given by the Cabinet of the UAE in this regard.

PARTICULARS OF ACQUISITIONS OF OWN SHARES

The Company has not acquired its own shares in the financial year to 31 December 2013, nor in accordance with any post balance sheet event.

The Company is due to have its first AGM on 1 April 2014, whereby the Directors will be seeking approval from shareholders, to authorize the Company to purchase up to 10% of its existing ordinary share capital. This authority would expire one year later at the Company's 2014 AGM, however it is intended that this authority be renewed each year. For more information on this resolution refer to the Notice of AGM and explanatory notes, which are being sent separately to shareholders entitled to vote at the AGM.

POST-BALANCE SHEET EVENTS

Subsequent to the balance sheet date the company has completed the acquisition of Emirates American Company for Medical Services LLC, also known as Gulf International Cancer Center 'GICC' in Emirate of Abu Dhabi. There have been no other material events since the year end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts, including the consolidated financial statements and the Company financial statements, the Directors' Report, including the Remuneration Report and the Strategic Review, in accordance with applicable law and regulations. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company on a consolidated and individual basis and of the profit or loss of the Company on a consolidated basis for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is not appropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the company's financial position and enable them to ensure compliance with the Companies Act 2006 ; they are also responsible for safeguarding the company's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, of the company, confirms that:

- to the best of their knowledge, the consolidated financial statements and the Company financial statements, which have been prepared in accordance with IFRS as issued by the IASB and IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company on a consolidated and individual basis;
- to the best of their knowledge, the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Company on a consolidated and individual basis, together with a description of the principal risks and uncertainties that it faces; and
- they consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Ian Tyler

2 March 2014

Consolidated statement of financial position

As at 31 December

	Note	2013 USD'000	2012 USD'000
Non-current assets			
Property and equipment	*4*	**27,261**	20,557
Intangible assets and goodwill	*5*	**21,479**	747
Deferred tax assets	*23*	**134**	-
Total non-current assets		**48,874**	21,304
Current assets			
Inventories	*6*	**16,483**	14,239
Trade and other receivables	*8*	**85,887**	83,889
Amounts due from related parties	*7(d)*	**1,219**	20
Short term deposit	*10*	**-**	5,450
Cash and cash equivalents	*9*	**107,549**	55,659
Total current assets		**211,138**	159,257
Total assets		**260,012**	180,561
Equity			
Share capital	*11*	**18,076**	-
Share premium reserve	*11*	**693,549**	-
Statutory reserve	*11*	**4,114**	4,114
Merger reserve	*11*	**(700,009)**	(128,092)
Retained earnings		**160,089**	121,066
Share option reserve	*16*	**2,897**	-
Equity attributable to owners of the Company		**178,716**	(2,912)
Non-controlling interest	*11*	**1,477**	**-**
Total equity / (deficit)		**180,193**	(2,912)
Non-current liabilities			
Trade and other payables	*13*	**2,188**	272
Bank loans	*14*	**-**	96,236
Employee benefits	*15*	**11,430**	8,385
Total non-current liabilities		**13,618**	104,893
Current liabilities			
Trade and other payables	*13*	**63,372**	44,603
Amounts due to related parties	*7(c)*	**2,634**	4,810
Bank overdraft	*9*	**195**	-
Bank loans	*14*	**-**	29,167
Total current liabilities		**66,201**	78,580
Total liabilities		**79,819**	183,473
Total equity and liabilities		**260,012**	180,561

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

		For the year ended 31 December 2013			For the year ended 31 December 2012		
	Note	**Underlying USD'000**	**Non-underlying USD'000**	**Total USD'000**	Underlying USD'000	Non-underlying USD'000	Total USD'000
Revenue	17	**365,041**	-	**365,041**	324,363	-	324,363
Cost of sales	18	**(210,503)**	**-**	**(210,503)**	(188,692)	-	(188,692)
Gross profit		**154,538**	**-**	**154,538**	135,671	-	135,671
Administrative expenses	**19**	**(79,483)**	**(822)**	**(80,305)**	(73,966)	**-**	(73,966)
Results from operating activities		**75,055**	**(822)**	**74,233**	61,705	-	61,705
Listing transaction costs	**22**	**-**	**(6,134)**	**(6,134)**	**-**	**-**	**-**
Finance cost	**21**	**(5,094)**	**(2,881)**	**(7,975)**	(2,444)	**-**	(2,444)
Finance income	**21**	**1,412**	**-**	**1,412**	1,220	**-**	1,220
Net finance cost		**(3,682)**	**(2,881)**	**(6,563)**	(1,224)	**-**	(1,224)
Profit for the year before tax		**71,373**	**(9,837)**	**61,536**	60,481	**-**	60,481
Taxation	**23**	**134**	**-**	**134**	**-**	**-**	**-**
Profit for the year		**71,507**	**(9,837)**	**61,670**	60,481	**-**	60,481
Other comprehensive income-Items that will never be reclassified to profit or loss:							
Re-measurement of defined benefit liability	**15**	**(1,660)**	**-**	**(1,660)**	**-**	**-**	**-**
Total comprehensive income for the year		**69,847**	**(9,837)**	**60,010**	60,481	**-**	60,481

	Note	Underlying USD'000	Non-underlying USD'000	Total USD'000	Underlying USD'000	Non-underlying USD'000	Total USD'000
		For the year ended 31 December 2013			For the year ended 31 December 2012		
Profit attributable to:							
Owners of the Company		**71,228**	**(9,837)**	**61,391**	60,481	-	60,481
Non-controlling interest	*11*	**279**	-	**279**	-	-	-
		71,507	**(9,837)**	**61,670**	60,481	-	60,481
Total comprehensive income attributable to:							
Owners of the Company		**69,568**	**(9,837)**	**59,731**	60,481	-	60,481
Non-controlling interest	*11*	**279**	-	**279**	-	-	-
		69,847	**(9,837)**	**60,010**	60,481	-	60,481
Earnings per share							
Basic earnings per share (cents)	*26(a)*	**65.3**	**(9.0)**	**56.3**	60.5	-	60.5
Diluted earnings per share (cents)	*26(b)*	**65.2**	**(9.0)**	**56.2**	60.5	-	60.5

Consolidated statement of changes in equity
For the year ended 31 December 2013

	Attributable to equity shareholders of the Company								
	Share capital USD'000 (*Note 11)*	**Share premium reserve USD'000** (*Note 11)*	**Statutory reserve USD'000** (*Note 11)*	**Merger reserve USD'000** (*Note 11)*	**Retained earnings USD'000**	**Share option reserve USD'000** (*Note 16)*	**Total USD'000**	**Non-controlling interest USD'000** (*Note 11)*	**Total equity/(deficit) USD'000**
At 1 January 2013	-	-	4,114	(128,092)	121,066	-	(2,912)	-	(2,912)
Total comprehensive income:									
Profit for the year	-	-	-	-	61,391	-	61,391	279	61,670
Other comprehensive income *(refer note 15)*	-	-	-	-	(1,660)	-	(1,660)	-	(1,660)
Total comprehensive income	**-**	**-**	**-**	**-**	**59,731**	**-**	**59,731**	**279**	**60,010**
Transactions with owners of the Company:									
Contribution and distributions:									
Group restructuring *(refer note 11)*	15,467	556,450	-	(571,917)	-	-	-	-	-
Shares issued at IPO *(refer note 11)*	2,609	147,391	-	-	-	-	150,000	-	150,000
Equity settled share-based payment *(refer note 16)*	-	-	-	-	-	2,897	2,897	-	2,897
Listing transaction costs *(refer note 22)*	-	(10,292)	-	-	-	-	(10,292)	-	(10,292)
Dividends paid *(refer note 12)*	-	-	-	-	(20,708)	-	(20,708)	-	(20,708)
Total contribution and distribution	**18,076**	**693,549**	**-**	**(571,917)**	**(20,708)**	**2,897**	**121,897**	**-**	**121,897**

Changes in ownership interest:									
Acquisition of subsidiaries	-	-	-	-	-	-	-	1,198	1,198
At 31 December 2013	**18,076**	**693,549**	**4,114**	**(700,009)**	**160,089**	**2,897**	**178,716**	**1,477**	**180,193**
At 1 January 2012	-	-	4,087	8,175	91,188	-	103,450	-	103,450
Total comprehensive income:									
Profit for the year	-	-	-	-	60,481	-	60,481	-	60,481
Total comprehensive income	-	-	-	-	60,481	-	60,481	-	60,481
Transactions with owners of the Company:									
Contribution and distributions:									
Group restructuring	-	-	27	(27)	-	-	-	-	-
Dividends paid *(refer note 12)*	-	-	-	-	(30,603)	-	(30,603)	-	(30,603)
Share premium distribution *(refer note 11)*	-	-	-	(136,240)	-	-	(136,240)	-	(136,240)
At 31 December 2012	-	-	4,114	(128,092)	121,066	-	(2,912)	-	(2,912)

Consolidated statement of cash flows
For the year ended 31 December

	Note	2013 USD'000	2012 USD'000
Operating activities			
Profit for the year before tax		**61,536**	60,481
Adjustments for:			
Depreciation and amortisation	*4,5*	**7,769**	9,119
Other non-cash items		**6**	151
Finance costs	*21*	**7,975**	2,429
Interest income	*21*	**(1,368)**	(1,220)
Employee benefit charge	*15*	**1,711**	2,560
Listing transaction costs	*22*	**3,802**	-
Equity-settled share-based payment transactions	*16*	**2,897**	-
Provision for impairment loss on other receivables		**58**	228
(Reversal)/provision for impairment loss on amounts due from related parties		**(848)**	848
Acquisition related costs	*30*	**507**	**-**
Net cash from operating activities		**84,045**	74,596
Change in inventories	*6*	**(1,977)**	(67)
Change in trade and other receivables	*8*	**(521)**	(7,170)
Change in amounts due from related parties	*7(d)*	**(351)**	(4,748)
Change in trade and other payables	*13*	**8,190**	520
Change in amounts due to related parties	*7(c)*	**(2,176)**	(10,360)
Cash generated from operations		**87,210**	52,771
Employee benefits paid	*15*	**(946)**	(527)
Net cash generated from operating activities		**86,264**	52,244
Investing activities			
Interest received		**1,513**	1,220
Short term deposit	*10*	**5,450**	(5,450)
Payment for property and equipment	*4*	**(12,280)**	(6,730)
Payment for intangible assets	*5*	**(7,043)**	-
Investment in subsidiaries, net of cash acquired (including acquisition related costs)	*30*	**(4,058)**	(488)
Net cash used in investing activities		**(16,418)**	(11,448)
Financing activities			
Proceeds from issue of shares	*11*	**150,000**	-
Listing transaction costs	*22*	**(14,094)**	-
Loan from bank	*14*	**-**	125,844
Repayment of loan	*14*	**(128,726)**	-
Facility charges on loan		**-**	(3,590)
Interest paid		**(4,623)**	(1,870)
Dividend paid	*12*	**(20,708)**	(30,603)
Distribution of share premium	*11*	-	(136,240)
Net cash used in financing activities		**(18,151)**	(46,459)
Net increase/(decrease) in cash and cash equivalents		**51,695**	(5,663)
Cash and cash equivalents at 1 January	*9*	**55,659**	61,322
Cash and cash equivalents at 31 December	*9*	**107,354**	55,659

1 Status and activity

Al Noor Hospitals Group Plc (the "Company" or "Parent'') is a Company which was incorporated in England and Wales on 20 December 2012. The Company is a public limited liability company operating mainly in the United Arab Emirates ("UAE"). The address of the registered office of the Company is C/O Capita Company Secretarial Services, 2nd Floor, Ibex House, 42-47 Minories, London, EC3N 1DX. The registered number of the Company is 8338604. There is no ultimate controlling party.

The Company changed its name from Al Noor Hospitals Plc to Al Noor Hospitals Group Plc on 21 June 2013, when it also completed its Premium Listing on the London Stock Exchange.

The activities of the subsidiaries are the operation of medical hospitals and clinics and the sale of pharmaceuticals, medical supplies and related equipment. These consolidated financial statements include the financial performance and position of the Company and its subsidiaries (collectively referred to as "the Group") *(refer note 3(a)).*

The consolidated financial statements were authorised for issue by the directors on 2 March 2014. The financial statements were audited by KPMG LLP.

The financial information set out above does not constitute the company's statutory financial statements for the year ended 31 December 2013 but is derived from those financial statements. Statutory financial statements for 2013 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement that form a part of these consolidated financial statements.

2 Basis of preparation

Al Noor Holdings Cayman Limited (the previous parent company to the Group), a company incorporated in the Cayman Islands, issued financial statements for the year ended 31 December 2012 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Those financial statements were approved by the Board of Directors on 20 March 2013. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006. Those financial statements were included in the short form section of the prospectus for the Initial Public Offering by the Company on 21 June 2013.

The financial information presented for the year ended 31 December 2013 and for the year ended 31 December 2012 essentially represents the financial performance and position of the same continuing business albeit that the parent company of the group has changed in both 2012 and 2013 as a result of group re-organisations.

On 14 June 2013, as part of a group re-organisation and as a necessary step to its Initial Public Offering on 21 June 2013, the Company issued 100 million shares to the shareholders of the previous parent company of the Group, Al Noor Holdings Cayman Limited ("ANHC"), in exchange for 100% of the issued shares of ANHC. This transaction has been treated as a common control transaction, i.e. there is no new business combination to be accounted for and book values have been used as the basis for the accounting.

The common control transaction which took place on 14 June 2013 to position the Company as the new parent of the group is treated, for accounting purposes, as if the Company had always been the parent company. The impact of this is to alter the equity section of the prior year's statement of consolidated financial position.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by European Union (adopted IFRS) and the Companies Act 2006.

(b) Going Concern

These consolidated financial statements have been prepared on the going concern basis. At 31 December 2013, the Group had net assets amounting to USD 180.2 million, principally as a result of the proceeds from the Initial Public Offering on 21 June 2013 and net profit for the year ended 31 December 2013. At 31 December 2012, the Group had net liabilities of USD 2.9 million, largely as a result of distributions to shareholders. The Group is profitable, cash generative and has access to an undrawn committed borrowing facility of up to USD 81.7 million. Having considered the Group's cash forecast for a period of 12 months from the date of signing the consolidated statement of financial position, the Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these consolidated financial statements. Thus, they continue to adopt the going concern basis in preparing the financial information.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except where adopted IFRS mandates that fair value accounting be required.

(d) Functional and presentation currency

The consolidated financial statements and financial information are presented in United States Dollar (USD), rounded to the nearest thousand. The functional currency of the majority of the Group's entities is the United Arab Emirates Dirham (AED) and is the currency of the primary economic environment in which the Group operates. The United Arab Emirates Dirham (AED) is currently pegged against the United States Dollar (USD) at a rate of 3.67 per US Dollar.

(e) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about judgements, estimates and assumptions in applying the Group's accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 17 – Revenue
- Note 8 – Provision for doubtful debts

(f) Non-underlying items in the consolidated statement of comprehensive income

Items that are usual or infrequent in nature are presented as non-underlying items in the income statement. The Directors are of the opinion that the separating of non-underlying items provides helpful information about the Group's underlying business performance. Non-underlying items included the following items:

- Acquisition related costs *(refer note 30)*
- Finance charges *(refer note 21)*
- First time registration fees in London Stock Exchange *(refer note 19)*

3 Significant accounting policies

Except for the changes below, the accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application 1 January 2013.

- *Presentation of items of other comprehensive income (OCI) (Amendments to IAS 1)*
- *IFRS 13 Fair value Measurement*
- IAS 19 *Employee Benefits (2011)*

The adoption of these standards and amendments to standards had no material effect on these consolidated financial statements.

(a) Basis of consolidation

(i) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group *(see (a)(iii)).* The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment *(see 3(e)).* Any given bargain purchase is recognised in the profit and loss account immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit and loss account.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is reclassified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of contingent consideration are recognised in the profit and loss account.

Fair values in respect of identifiable assets and liabilities acquired through business combination are determined for measurement based on the following methods.

Plant and equipment
The fair value of items of plant and equipment is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

Inventories
The fair value of inventories is determined based on the estimated selling price in the ordinary course of business less estimated costs of sale.

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial liabilities
The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iv) Transactions eliminated on consolidation
Intra-group balances, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) List of subsidiaries
The Company's effective shareholding in its subsidiary entities is set out below:

		Beneficial interest	
Name of the Company	**Country of Incorporation**	**2013**	2012
Al Noor Holdings Cayman Limited (ANHC) [1]	Cayman Islands	**100.0%**	-
ANMC Management Limited (ANMC) [2]	Cayman Islands	**100.0%**	-
Al Noor Commercial Investment LLC (ANCI) [3]	UAE	**99.0%**	-

Al Noor Golden Commercial Investment LLC (ANGCI) [4]	UAE	**99.9%**	100.0%
Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC [5]	UAE	**99.9%**	100.0%
Abu Dhabi Medical Services LLC [6]	Sultanate of Oman	**99.9%**	100.0%
Al Noor Hospital Family Care Center – Al Mamoura LLC [7] *(refer note 30)*	UAE	**99.9%**	-
Al Madar Group LLC [8]*(refer note 30)*	UAE	**74.9%**	-
Manchester Clinic LLC[8] *(refer note 30)*	UAE	**74.9%**	-
British Urology Center LLC[8]	UAE	**99.9%**	-

[1] Al Noor Hospitals Group Plc acquired 100% of share capital of ANHC on 14 June 2013. Further, this company owns 48% of the issued share capital of ANGCI.

[2] Al Noor Hospitals Group Plc acquired 100% of share capital of ANMC on 14 June 2013. Further, this company owns 1% of the issued share capital of ANGCI.

[3] ANCI owns 51% of the issued share capital of ANGCI and 1% of share capital of Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC. Pursuant to a shareholders' agreement and a Muradaba agreement, 99% of its profit or loss should be distributed to ANHC.

[4] ANGCI was incorporated and established on 25 July 2012 in the Emirate of Abu Dhabi, UAE. 48% of ANGCI's share capital is owned by ANHC.

[5] ANGCI and ANCI acquired 99% and 1% of the issued share capital of Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC respectively.

[6] In October 2012, Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC acquired 70% of Abu Dhabi Medical Services LLC's share capital. The other shareholder agreed to become a bare nominee for the Company resulting in the Company holding a 100% beneficial interest in Abu Dhabi Medical Services LLC.

[7] Pursuant to a share sale and purchase agreement entered into in January 2013, Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC and ANGCI acquired a clinic, Al Noor Hospital Family Care Center – Al Mamoura LLC, formerly known as Solutions Medical Center LLC located in the Emirate of Abu Dhabi. The owners of Al Noor Hospital Family Care Center – Al Mamoura LLC are Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC (99%) and ANGCI (1%).

[8] Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC and ANCI acquired 48% and 27% respectively of the issued share capital of Al Madar Group LLC and 75% of issued share capital of Manchester Clinic LLC on 31 October 2013. Further, Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC and ANCI acquired 73% and 27% respectively of issued share capital of British Urology Center LLC (also known as Manchester International Medical Center LLC) on the same date.

(vi) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for at the date that the transfer occurred. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity. The components of equity of the acquired entities are added to the same components within Group equity. Any cash paid for the acquisition is recognised directly in equity.

Although legal control over the Group by the Company was only attained in 2013, the consolidated financial statements have been prepared as if the Company had always been the holding company and control is deemed to have been effective throughout the two year period presented.

(b) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset and includes any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The gain or loss arising on the disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount with the difference being recognised in the profit and loss account.

(ii) Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the profit and loss account as incurred.

(iii) Depreciation

Depreciation is based on cost of an asset less its residual value. Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful economic lives of each component of an item of property and equipment. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the lease will be renewed on expiry. The estimated useful lives for the current and comparative years are as follows:

Leasehold improvements	4 years
Medical equipment and tools	4-11 years
Furniture, fixtures and office equipment	4 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date and adjusted if appropriate. During the year ended 31 December 2013, the Group has reassessed the useful lives of its medical equipment and tools to be in the range of 4 – 11 years *(31 December 2012: 5 years).* The impact of this change in estimate is provided in note 4.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value and comprise pharmaceutical and medical supplies. Cost is calculated using the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated selling and distribution expenses.

(d) Financial liabilities

Derivative financial liabilities, including hedge accounting

The Group from time to time holds derivative financial instruments to hedge its interest rate risk exposure. On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedge instrument and the hedge item, including the risk management objectives and strategy in undertaking the hedge transaction and hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within the range of 80% - 125%. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit and loss account incurred.

Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect the profit and loss account, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised in the profit and loss account. The amount accumulated in equity is reclassified to the profit and loss account in the same period that the hedge item affects the profit and loss account. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or is exercised, or the designation is revoked, the hedge accounting is discontinued prospectively.

(e) Impairment

Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

(f) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks specific to the liability.

(g) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit and loss account in the period during which services are rendered by employees. The Group did not operate or own a defined contribution plan during the year or as at the reporting date.

Monthly pension contributions are made in respect of UAE national employees, who are covered by the Law No. 2 of 2000. The pension fund is administered by the Government of Abu Dhabi - Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit other than a defined contribution plan. The Group currently operates an unfunded scheme for employees' end of service benefits that follows relevant local regulations and is based on periods of cumulative service and levels of employees' final basic salaries. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such benefits are based on the applicable provisions of the UAE Labour Law. The discount rate is the yield at valuation date, on US AA-rated corporate bonds, which in the absence of a deep market in corporate bonds within the UAE is the relevant proxy market as determined by the actuaries.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in the profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the profit and loss account. The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the other comprehensive income and all expenses related to defined benefit plans within the profit and loss account. Gains and losses on the curtailment or settlement of a defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) *Short term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of a past service provided by the employee, and the obligation can be estimated reliably.

(iv) *Share-based payments transactions*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based-based payment awards with non-vesting conditions, the grant-date fair value of the share–based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(h) Finance income and finance costs

Finance income comprises interest income on fixed deposits. Interest income is recognised as it is earned.

Finance costs comprise interest expense on borrowings, bank charges, the ineffective portion of financial derivatives and impairment losses recognised on financial assets (other than trade receivables) that are recognised in the profit and loss account. The unamortised facility costs written off as a result of the Company's IPO have been recognised under non-underlying items *(refer to note 21).*

(i) Revenue recognition

Revenue represents the invoiced value of medical services rendered and pharmaceutical goods sold during the year, and is stated net of discounts.

Revenue from the provision of medical services to inpatients and outpatients is recognised in the profit and loss account in proportion to the stage of completion of the medical service at the reporting date. As a result of the majority of patients having medical insurance cover, the Group's revenue is largely derived from insurers and therefore is stated net of potential estimated insurance claims likely to be rejected. The Group estimates potential insurance claim rejections based on historical trends and treats this as a discount which is recognised as a reduction of service revenue.

Revenue from the sale of pharmaceutical goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(j) Goodwill and other intangible assets

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets including software that is acquired by the Group having finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Software is amortised on a straight-line basis in the profit and loss account over its estimated useful life from the date that it is available for use. The estimated useful life of software is 4 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit and loss account as incurred.

(k) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. Segments are disclosed based on the components of the entity that management monitors in making decisions about operating segments (the “management approach”). Such components are identified on the basis of internal reports that the entity’s Chief Operating Decision Maker (CODM) reviews regularly. All operating segments’ results are reviewed by the Group’s CODM to make decisions about resources to be allocated to the segments and assess their performance, for which discrete financial information is available.

(l) Earnings per share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

(m) Lease payments

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

(n) Listing transaction costs

Transaction costs of the Initial Public Offer (IPO) that are directly attributable to the issue of new shares are accounted for as a deduction from share premium. Cost relating to the issue of existing shares are expensed in the profit and loss account. Marketing costs for the IPO do not meet the definition of directly attributable expenses and are therefore expensed through the statement of profit or loss under non-underlying items together with the indirect costs related to the IPO as appropriate.

(o) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the period ended 31 December 2013 have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on these consolidated financial statements of the Group, except for IFRS 9 “*Financial instruments”* which could change the classification and measurement of the financial assets. The full extent of the impact has not yet been determined.

4 Property and equipment

During the year ended 31 December 2013, the Group reassessed the useful lives of its medical equipment and tools to be in the range of 4 – 11 years *(31 December 2012: 5 years).* The effect of these changes on actual and expected depreciation expense, included in ‘cost of sales’ and ‘administrative expenses’, was as follows,

	2013	**2014**	**2015**	**2016**	**2017**	**Later**
Increase/(decrease) in depreciation Expenses (**USD’000**)	**(1,468)**	(430)	306	440	538	614

Depreciation is included under the following captions:

	2013 USD’000	**2012 USD’000**
Cost of sales	**5,983**	**7,562**
Administrative expense	**1,637**	**1,557**
	7,620	**9,119**

	Leasehold improvement USD'000	Medical equipment and tools USD'000	Furniture, fixtures and office equipment USD'000	Motor vehicles USD'000	Capital work in progress USD'000	Total USD'000
Cost						
At 1 January 2012	4,434	44,527	9,506	1,758	-	60,225
Acquisition through business combinations	-	167	-	-	-	167
Additions	399	4,436	1,857	38	-	6,730
Write-offs	-	(34)	(54)	(81)	-	(169)
At 31 December 2012	**4,833**	**49,096**	**11,309**	**1,715**	**-**	**66,953**
At 1 January 2013	4,833	49,096	11,309	1,715	-	66,953
Additions	1,520	7,444	1,814	300	1,202	12,280
Acquisition through business combinations *(refer note 30)*	883	3,597	282	9	350	5,121
Transfers	774	65	49	-	(888)	-
Transferred to intangible assets *(refer note 5)*	-	-	(1,305)	-	-	(1,305)
Write off	**-**	(228)	-	(490)	-	(718)
Reclassification	**-**	(86)	**-**	**86**	**-**	**-**
At 31 December 2013	**8,010**	**59,888**	**12,149**	**1,620**	**664**	**82,331**
Accumulated depreciation						
At 1 January 2012	3,122	26,405	6,558	1,337	-	37,422
Charge for the year	852	6,707	1,366	194	-	9,119
Write-offs	-	(32)	(32)	(81)	-	(145)
At 31 December 2012	**3,974**	**33,080**	**7,892**	**1,450**	**-**	**46,396**
At 1 January 2013	3,974	33,080	7,892	1,450		46,396
Acquisition through business combinations *(refer note 30)*	220	1,961	105	1	-	2,287
Charge for the year	598	5,401	1,427	194	-	7,620
Transferred to intangible assets *(refer note 5)*	**-**	**-**	**(521)**	**-**	**-**	**(521)**
Write off	**-**	**(227)**	**-**	**(485)**	**-**	**(712)**
Reclassification	**-**	**(56)**	**-**	**56**	**-**	**-**

At 31 December 2013	**4,792**	**40,159**	**8,903**	**1,216**	**-**	**55,070**
Carrying amounts						
At 31 December 2013	**3,218**	**19,729**	**3,246**	**404**	**664**	**27,261**
At 31 December 2012	859	16,016	3,417	265	-	20,557

5 Intangible assets and goodwill

	Goodwill USD' 000	Software USD' 000	Software under Development USD' 000	Total USD' 000
Costs				
At 1 January 2012	-	-	-	-
Additions	747	-	-	747
At 31 December 2012	747	-	-	747
At 1 January 2013	747	-	-	747
Acquisition through business combinations *(refer note 30)*	13,046	9	-	13,055
Transferred from property and equipment *(refer note 4)*	-	1,305	-	1,305
Additions	-	50	6,993	7,043
Transfers	-	295	(295)	-
At 31 December 2013	**13,793**	**1,659**	**6,698**	**22,150**
Amortisation / impairment				
At 1 January 2012	-	-	-	-
Charge during the year	-	-	-	-
At 31 December 2012	-	-	-	-
At 1 January 2013	-	-	-	-
Acquisition through business combinations *(refer note 30)*	-	1	-	1
Transferred from property and equipment *(refer note 4)*	-	521	-	521
Charge during the year	-	149	-	149
At 31 December 2013	**-**	**671**	**-**	**671**
Carrying amounts				
At 31 December 2013	**13,793**	**988**	**6,698**	**21,479**
At 31 December 2012	747	-	-	747

Goodwill

a. On 9 October 2012, the Group acquired a clinic in the Sultanate of Oman. There are no material separate tangible and intangible assets and therefore the majority of the purchase consideration is for goodwill, representing the location and future earning potential of the clinic. Operation of this clinic has started during the year.

b. In February 2013, the Group acquired a clinic, Al Noor Hospital Family Care Center – Al Mamoura LLC, formerly known as Solutions Medical Center LLC located in the Emirate of Abu Dhabi *(refer note 30)*. There are no material separately identifiable tangible and intangible assets and therefore the majority of the purchase consideration is for goodwill, representing the location and future earning potential of the clinic. Operation of this clinic has started during the year.

c. On 31 October 2013, the Group acquired 75% of the shares and voting interests in Al Madar Group LLC and Manchester Clinic LLC *(refer note 30).* There are no material separate tangible and intangible assets and therefore the majority of the purchase consideration is for goodwill, representing the location and future earning potential of the clinic.

The majority of the Group's goodwill balance is generated from the acquisition of Al Madar Group LLC and Manchester Clinic LLC. In the two months to the year end, the entities performed as expected and no indications of impairment of the goodwill have been identified at 31 December 2013.

6 Inventories

	2013	2012
	USD'000	USD'000
Pharmacy items	**11,771**	10,528
Consumables	**4,803**	4,111
	16,574	14,639
Less: allowance for inventory obsolescence	**(91)**	(400)
	16,483	14,239

The movement in the allowance for inventory obsolescence during the year was as follows:

	2013	2012
	USD'000	USD'000
At 1 January	**400**	463
Provided during the year	**-**	127
Written off	**(309)**	(190)
At 31 December	**91**	400

Management has estimated the recoverability of inventory balances and considered the allowance required for inventory obsolescence based on the current economic environment and past obsolescence history.

7 Related party balances and transactions

Related parties comprise the parent, the ultimate parent, the Shareholders, key management personnel and those entities over which the parent, the ultimate parent, the directors or the Group can exercise significant influence or which can significantly influence the Group. In the ordinary course of business, the Group receives goods and services from, and provides goods and services to, such entities on rates, terms and conditions agreed upon by management.

(a) Key management personnel compensation:

The compensation of key management personnel during the year was as follows:

	2013	2012
	USD'000	USD'000
Salaries and short-term benefits for C level executives*	**3,050**	2,221
Directors' emoluments	**448**	-
End of service benefits	**175**	66
Equity-settled share-based payment transactions *(refer note 16)*	**565**	-

*Key management personnel include C level executives and hospital directors.

(b) ***Other related party transactions:***

	2013 **USD'000**	2012 USD'000
Rent expenses	**10,885**	10,154
Purchases	**7,880**	6,239
Revenue	**444**	318

(c) ***Amounts due to related parties:***

	2013 **USD'000**	2012 USD'000
Al Saqar Property Management Establishment	**1,153**	4,035
Gulf & World Traders LLC	**925**	475
Al Bahiya Trading & Services Est.	**284**	137
Pharma World LLC	**148**	142
Safe Travel Establishment	**124**	21
	2,634	4,810

The above amounts due to related parties is non-interest bearing and repayable on demand.

(d) ***Amounts due from related parties:***

	2013 **USD'000**	2012 USD'000
Amount due from a shareholder	**1,219**	-
ANMC Management Limited	**-**	20
	1,219	20

8 Trade and other receivables

	2013 **USD'000**	2012 USD'000
Trade receivables	**69,721**	73,400
Staff advances and other receivables	**11,141**	6,170
Prepayments	**5,025**	4,319
	85,887	83,889

The average credit period on the sale of goods or fees for the provision of services is 45 - 60 days. No interest is charged on trade and other receivables. Trade and other receivable balances that are past due are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

Before accepting any new customers, the Group assesses the potential credit quality of the customer. Out of the trade receivables balance at the end of the year, USD 62.3 million representing 89% of the total trade receivables *(31 December 2012: USD 67.8 million representing 92% of the total trade receivables)* is due from insurance companies.

Ageing of trade receivables:

	2013 USD'000	2012 USD'000
Not past due	**60,894**	53,814
Due for 1 to 30 – days	**8,827**	16,098
Due for 31 to 60 – days	-	3,488
	69,721	73,400

9 Cash and cash equivalents

	2013 USD'000	2012 USD'000
Cash in hand	**162**	130
Cash at bank	**39,128**	8,387
Term deposit	**68,259**	47,142
	107,549	55,659
Bank overdraft	**(195)**	-
Total cash and cash equivalents for cash flow purposes	**107,354**	55,659

10 Short term deposit

	2013 USD'000	2012 USD'000
Fixed deposit	**-**	5,450

The maturity date of the deposit at 31 December 2012 was more than 3 months and the effective interest rate on the deposit was 3.25%.

11 Equity

	2013 USD'000	2012* USD'000
Al Noor Hospitals Group Plc		
Issued and fully paid 116,866,203 shares of GBP 10 pence each *(converted to USD at 1.5467)*	**18,076**	-

*Issued and fully paid 100 shares of AED 0.0001 each *(converted to USD at 3.67).*

Movement of issued share capital and share premium:

	Number of shares (000)	Ordinary shares USD'000	Share premium USD'000	Total USD'000
At 1 January 2013	-	-	-	-
Issue of new shares[1]	100,000	15,467	556,450	571,917
Issue of new shares – IPO[2]	16,866	2,609	147,391	150,000
Less: flotation cost[3] *(refer note 22)*	-	-	(10,292)	(10,292)
At 31 December 2013	**116,866**	**18,076**	**693,549**	**711,625**

[1] The Group was restructured on 14 June 2013 when the Company acquired its investment in Al Noor Holdings Cayman Limited ("ANHC") by way of a share for share exchange with the shareholders of ANHC being identical to the shareholders of the Company. 100,000,000 shares were issued to the shareholders of ANHC creating share premium of $556,450 thousand.

[2] On 21 June 2013, Al Noor Hospitals Group Plc completed its Premium Listing on the London Stock Exchange and raised USD 150,000 thousand from the issue of 16,866 thousand new ordinary shares, thereby diluting existing shareholders equity interest to 85.57%.

[3]During the year ended 31 December 2013 costs of USD 16,426 thousand were incurred in relation to completion of the Company's Premium Listing on the London Stock Exchange. Of these costs, USD 10,292 thousand has been deducted from the share premium account and USD 6,134 thousand has been charged to the consolidated statement of profit or loss in accordance with the requirements of IAS 32 – *Financial Instruments: Disclosure and Presentation (refer note 22).*

Merger reserve

As at 1 January 2013, the merger reserve represents the difference between the consolidated net assets of Al Noor Holdings Cayman Limited and the retained earnings and statutory reserve of the Group at 31 December 2012. On 14 June 2013, a group re-organisation occurred when the Company acquired Al Noor Holdings Cayman Limited in a share for share exchange which has been accounted for as a common control transaction. 100,000,000 new ordinary shares of GBP 10p were issued out of merger reserve on acquisition creating share premium of USD 556,450 thousand based on the cost of acquisition of Al Noor Holdings Cayman Limited.

Share premium reserve

Share Premium represents the difference between the new shares listed on the London Stock Exchange at £5.75 and the par value of £0.10. In addition, the share premium was created upon the group reorganisation when the Company acquired Al Noor Holdings Cayman Limited. In 2012, the Group had distributed USD 136,240 thousand from share premium reserve account to its previous shareholders in accordance with a Board resolution dated 14 October 2012.

Other class of shares outstanding as at 31 December 2013

	No. of shares	**Amount USD**
Preference shares (redeemable non-voting)	**50,000**	**77,335**
Subscriber shares	**10**	**2**

Statutory reserve

The Statutory reserve is a reserve which is made in the financial statements of individual subsidiaries in accordance with UAE Federal Law No. 8 of 1984 (as amended). This amount is not available for distribution.

Non-controlling interest

	2013 USD'000	2012 USD'000
At 1 January	-	-
Share of total net assets	**1,198**	-
Share of results for the year	**279**	-
At 31 December	**1,477**	-

12 Dividends

The Company (or its predecessor) paid dividends to Shareholders as set out below:

	2013 USD'000	2012 USD'000
Dividend paid*	**20,708**	30,603

*this dividend was paid to previous owners of the Group on 20 March 2013.

Proposed final dividend for the year to 31 December 2013 at 14.709cents per share *(2012: nil)***	**17,189**	-

**the proposed final dividend for the year ended 31 December 2013 is subject to approval by equity shareholders of the Company and hence has not been included as a liability in the consolidated financial statements at 31 December 2013.

13 Trade and other payables

	2013 USD'000	2012 USD'000
Trade payables	**33,549**	28,187
Accrued liabilities	**17,333**	14,623
Other payables	**3,377**	1,739
Amounts payable for investment in subsidiaries*	**11,240**	-
Financial liability	**61**	326
	65,560	44,875

Trade and other payables are repayable as follows:

	2013 USD'000	2012 USD'000
Within one year	**63,372**	44,603
After one year	**2,188**	272
	65,560	44,875

The average credit period on the purchase of goods is 60 - 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame *(refer to note 28(d) for liquidity risk analysis)*.

*Amounts payable for investment in subsidiaries include an amount of USD 2.8 million as contingent consideration on the acquisition of Al Madar Group LLC *(refer to note 30).*

14 Bank loans

	2013 USD'000	2012 USD'000
Term loan	**-**	125,403
Disclosed as:		
Current portion	**-**	29,167
Non-current portion	**-**	96,236
	-	125,403

The Group obtained a syndicated term loan amounting to USD 136 (AED 500) million from Standard Chartered Bank, HSBC Middle East and Mashreq Bank during the year ended 31 December 2012. This loan has been fully repaid during the year ended 31 December 2013 and accordingly the unamortised facility cost incurred on this loan was charged in full in the statement of profit or loss during the year under non-underlying items, amounting to USD 2,880 thousand *(refer to note 21).*

The Group entered into a facility agreement for a term loan of USD 40,840 thousand and USD 40,872 thousand (AED 150,000 thousand) on 21 May 2013 to provide working capital for the Group. This facility was not drawn as at 31 December 2013.

15 Employee benefits

The Group's obligation in respect of retirement benefits is recognised in the statement of financial position at the present value of the defined benefit at the end of the reporting period, including any adjustments for past service costs. The defined benefit plan is unfunded.

The following are the principal actuarial assumptions at the respective reporting date (expressed as weighted averages):

	2013	2012
Discount rate at 31 December	**4.25%**	3.50%
Future salary increases	**3.50%**	3.00%
Average retirement age	**55 years**	55 years
Annual turnover rate	**9.00%**	9.00%

	2013	2012
	USD'000	USD'000
Benefit obligation	**11,430**	8,385
Unrecognised net actuarial gain/(loss)	**-**	-
Unrecognised past service benefit/(cost)	**-**	-
Total employee benefit liability	**11,430**	8,385

Movement in the present value of the defined benefit obligation:

	2013	2012
	USD'000	USD'000
End of service benefit obligation at 1 January	**8,385**	6,352
Acquisition through business combinations *(refer note 30)*	**620**	-
Included in the statement of profit and loss:		
Current service costs and interest	**1,711**	1,417
Benefits paid	**(946)**	(527)
Loss on re-assessment	**-**	1,143
Included in other comprehensive income:		
Actuarial loss	**1,660**	**-**
End of service benefit obligation at 31 December	**11,430**	8,385

Expenses recognised in profit and loss:

	2013	2012
	USD'000	USD'000
Current service costs	**1,417**	1,111
Interest on obligations	**294**	306
Loss on re-assessment	**-**	1,143

	2013	2012
	1,711	2,560

The expense is recognised in the following line items in the consolidated statement of profit and loss account:

	2013	2012
	USD'000	USD'000
Cost of sales	**1,243**	1,524
Administrative expenses	**468**	1,036
	1,711	2,560

Historical information:

	2013	2012	2011	2010	2009
Present value of the defined benefit obligations (USD'000)	**11,430**	8,385	6,352	5,183	3,179
Discount rates	**4.25%**	3.50%	4.25%	5.00%	5.50%

The Group expects service costs of USD 1,917 thousand and interest costs on obligation of USD 382,000 for the year ending 31 December 2014.

Sensitivity analysis:

		2013		2012
		USD'000		USD'000
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(782)**	**305**	(414)	458
Future salary increases (1% movement)	**304**	**(790)**	470	(433)

16 Equity-settled share-based payment arrangements

On 26 June 2013, the Group established an equity-settled share-based payment arrangement under the Company's Long Term Incentive Plan (LTIP) that entitles selected key management personnel to be awarded with shares of the Company. No consideration was paid for granting of the awards, which are structured as conditional awards as explained below.

The awards will vest in two equal tranches: one tranche is subject to the satisfaction of a performance conditions set by Remuneration Committee of the Group, measured over a performance period of three financial years ending 31 December 2015; the second tranche will vest on 31 December 2016 provided the participant remains employed by the Group on that date.

The fair value of the above arrangement has been measured based on the quoted share price of the Group available on the London Stock Exchange at grant date of the above awards. As at 31 December 2013, no shares have been forfeited and it is assumed that all the shareholders under the above arrangement will satisfy all the performance conditions set by Remuneration Committee of the Group.

Furthermore, the Board approved a share award to senior management in relation to the IPO. No consideration was paid for granting of the awards, which are structured as non-conditional awards and granted as at the date of the IPO. The fair value of this arrangement has been measured based on the quoted share price of the Group available on the London Stock Exchange at grant date of the awards.

17 Revenue

	2013 USD'000	2012 USD'000
Inpatient	**90,563**	83,373
Outpatient	**274,478**	240,990
	365,041	324,363

Revenue is stated after potential insurance claim rejections and discounts provided to insurance companies. Management estimates these claim rejections based on historic trends, its experience in dealing with insurance companies and the current economic environment. The actual rejected claims in the past have not differed materially from those estimated by management.

18 Cost of sales

Cost of sales, analysed by category, is as follows:

	2013 USD'000	2012 USD'000
Cost of medicine and consumables	**86,488**	82,806
Medical staff cost	**118,032**	98,324
Depreciation	**5,983**	7,562
	210,503	188,692

19 Administrative expenses

Administrative expenses, analysed by category, are as follows:

	Underlying	
	2013 USD'000	2012 USD'000
Other administrative expenses	**23,264**	21,846
Rent expenses	**16,094**	14,868
Staff costs	**37,230**	35,149
Depreciation and amortisation	**1,788**	1,557
Selling and distribution expenses	**1,107**	546
	79,483	73,966
	Non-Underlying	
Non-underlying administrative expenses*	**822**	-
Total administrative expenses	**80,305**	73,966

***** non-underlying administrative expenses is included the following items:

	2013 USD'000	2012 USD'000
Acquisition related costs	**507**	-
First time registration fees in London Stock Exchange	**315**	-
	822	-

20 Staff costs and directors' emoluments

The average number of persons employed by the Group during the year, analysed by category, is as follows:

	2013	2012
Medical staff	**2,003**	1,671
Administrative staff	**1,658**	1,624
	3,661	3,295

The aggregate payroll costs of these persons including key management personnel and contracted outside doctors were as follows:

	2013 USD'000	2012 USD'000
Wages and salaries	**130,871**	112,646
End of service benefits *(refer note 15)*	**1,711**	2,560
Directors' emoluments	**448**	-
Equity-settled share-based payment transactions *(refer note 16)*	**565**	-
Fees paid to contracted outside doctors	**21,667**	18,267
	155,262	133,473

21 Net finance cost

	Underlying	
	2013	2012
	USD'000	USD'000
Finance income		
Interest income	**1,368**	1,220
Foreign currency exchange gain	**44**	-
	1,412	1,220
Finance expenses		
Interest expense	**(3,898)**	(1,870)
Foreign currency exchange loss	**-**	(15)
Ineffective portion of hedge	**(29)**	(326)
Finance charges	**(1,167)**	(233)
	(5,094)	(2,444)
Net finance cost - underlying	**(3,682)**	(1,224)

	Non-underlying	
	2013	2012
	USD'000	USD'000
Finance expenses		
Finance charges *(refer note 14)*	**(2,881)**	-
Net finance cost – non-underlying	**(2,881)**	**-**
Total net finance costs	**(6,563)**	(1,224)

22 Listing transaction costs

	2013 USD'000	2012 USD'000
Listing transaction costs recognised in the profit and loss account *(non-underlying)**	**6,134**	-
Listing transaction costs recognised in share premium reserve *(refer note 11)*	**10,292**	-
	16,426	-

Transaction costs arising on the issue of equity instruments do not include indirect costs, such as the costs of management time and administrative overheads, or allocation of internal costs that would have been incurred has the shares not been issued. Transaction costs of the Initial Public Offer (IPO) that are directly attributable to issue of new shares are accounted for as a deduction from share premium. Cost relating to the issue of existing shares are expensed in the profit and loss account.

Judgment has been used to determine whether transaction costs are directly attributable or not. Allocation of costs between previously issued shares and new shares is made proportionately based on the relevant number of shares.

*included in the listing transaction costs recognised in the profit and loss account is USD 2.3 million for share awards to management that are recognised as a share based payment expense *(refer to note 16).*

23 Taxation

The Group operates solely in the United Arab Emirates and Sultanate of Oman. There is no corporate or other tax in the United Arab Emirates ("UAE") and therefore the Group has no tax liability arising in the UAE.

In the Sultanate of Oman, the Group's operations have reported a loss for the year ended 31 December 2013 and accordingly a deferred tax asset amounting to USD 134,000 has been recognised in the profit and loss account as at 31 December 2013.

The Group's parent company is registered in the UK and has recorded a loss for the year ended 31 December 2013. No deferred tax asset has been accounted for as recovery of this loss against future UK tax profit is uncertain.

24 Auditor's remuneration

The Group's paid the following amounts to its auditor and its associates in respect of the audit of the financial statements and for other services provided by the Group.

	2013 USD'000	2012 USD'000
Fees paid and accrued to the Company's auditor for the Company's annual accounts	**285**	144
Fees paid and accrued to the Company's auditor for the other services:		
- audit related assurance	**202**	34
- other assurance and corporate finance services	**1,380**	161
- non audit services	**235**	33
Total auditor's remuneration	**2,102**	372
Off set against share premium	**(605)**	-
Total recognised in the consolidated statement of profit or loss	**1,497**	372

Other assurance and corporate finance service represent work performed on the Group's historical financial information and work performed on the Group's long form and working capital reports, both of which were required for the Company's premium listing on the London Stock Exchange.

Of total fees payable to the auditor in 2013, USD 251,000 was payable to KPMG LLP, in the United Kingdom, and the reminder was payable to an associate of the auditor based in the UAE.

All the 2012 fees were paid to an associate of the auditor based in the UAE and this has been paid for the audit of annual accounts of Al Noor Holdings Cayman Limited as it was the parent company of the Group in 2012.

25 Contingent liabilities and commitments

	2013 **USD'000**	2012 USD'000
Bank guarantees	**2,786**	3,143
Letters of credit	**-**	681
Capital commitment	**3,501**	4,253

The above bank guarantees were issued in the normal course of business.

The Group defends various legal claims raised against it in the normal course of business. Where it considers that it is probable that it will settle a claim, management estimate the likely amount of settlement and provide accordingly. Claims that are considered remote or only possible represent contingent liabilities of the Group. If the Group's defense against these contingent liabilities is not successful, the Group may ultimately become liable for settlement. The Group's Medical Malpractice Insurance Policy covers all settlements made by the Group subject to insurance deductibles and the overall coverage provided by the policy. The Board of Directors and Management do not expect actions arising from the claims currently classified as contingent liabilities to have a material effect on the Group's future financial position.

26 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to the ordinary shareholders and weighted average number of ordinary shares outstanding.

	2013	2012
Profit for the year **(USD'000)**	**61,391**	60,481
Weighted-average number of ordinary shares **(basic)**	**108,965**	100,000

(b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to the ordinary shareholders and weighted average number of ordinary shares outstanding after adjustments for the effect of all dilutive potential ordinary shares.

	2013	2012
Profit for the year **(USD'000)**	**61,391**	60,481
Weighted-average number of ordinary shares **(diluted)**	**109,240**	100,000

Weighted-average number of ordinary shares (diluted) is calculated as follows;

Weighted-average number of ordinary shares **(basic)**	**108,965**	100,000
Effect of equity-settled share-based payment arrangement	**275**	-
Weighted-average number of ordinary shares (diluted) as at 31 December	**109,240**	100,000

27 Operating leases

Total commitments under operating leases which expire in the following time period are:

	2013 **USD'000**	2012 USD'000
Less than one year	**16,863**	14,451
Between one and five years	**54,104**	43,243
More than five years	**150,003**	166,458
	220,970	224,152

The Group leases a number of premises under operating leases with an option to renew the lease after that date. The majority of the above rent is paid to a related party of the Group *(refer to note 7(b)).*

28 Financial instruments

(a) Capital management

The Board's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. In recent years, the Group has been strongly cash generative and this has allowed the Board to declare dividend payments in each of the last two years. The Company raised USD 150 million from Premium Listing on the London Stock Exchange during the year. Accordingly, the capital based has increased by the same amount.

The Group entered into a new banking arrangement which funded this distribution and the Board is confident that the ability of the business to generate cash will be sufficient to meet the repayment terms for the debt as well as providing sufficient new capital out of profits to allow the business to operate effectively. The Board's policy is to develop and maintain a strong capital base so as to maintain investor and creditor confidence and to sustain the future development of the business. The Board believes that the Group can sustain an amount of debt so as to be financially efficient and regularly reviews its optimal target gearing ratio. In the event that the Group wishes to undertake any significant expansion requiring the raising of new capital, the Board will carefully consider what the appropriate ratio of debt to equity should be.

Retained earnings, cash reserves and bank facilities available to the Group are used within the business and are considered to be the capital of the Group.

(b) Financial risk management objectives

The Group is exposed to the following risks related to financial instruments-credit risk, liquidity risk, foreign currency risk and interest rate risk. During the current year, the Group does not enter into or trade in any new financial instruments, investments in securities, including derivative financial instruments, for speculative or risk management purposes.

(c) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2013 USD'000	2012 USD'000
Trade and other receivables	*8*	**80,862**	79,570
Cash and cash equivalents	*9*	**107,387**	55,529
Amounts due from related parties	*7(d)*	**1,219**	20
Short term deposit	*10*	**-**	5,450
		189,468	140,569

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's trade and other receivables and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties; significant revenue is generated by dealing with high profile customers for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have a low credit risk of default since these banks are highly regulated by the central bank of the United Arab Emirates.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. All balances with banks represent local and international commercial banks. The fixed deposits accounts are made in various local and international commercial banks. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations generally approximates their carrying value.

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors of the Group, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The table below summarises the maturity profile of the Group's non-derivative financial liabilities. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual repayment date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on existing contractual repayment arrangements was as follows:

	Carrying amount USD'000	Contractual cash flows USD'000	1 year or less USD'000	More than one year USD'000
31 December 2013				
Trade and other payables	65,560	(65,560)	(63,372)	(2,188)
Amounts due to related parties	2,634	(2,634)	(2,634)	-
Bank overdraft	195	(195)	(195)	-
	68,389	**(68,389)**	**(66,201)**	**(2,188)**

31 December 2012				
Trade and other payables	44,875	(44,875)	(44,603)	(272)
Amounts due to related parties	4,810	(4,810)	(4,810)	-
Bank loans	128,726	(144,501)	(31,833)	(112,668)
	178,411	**(194,186)**	**(81,246)**	**(112,940)**

(e) Foreign currency risk management

The Group does not have any significant exposure to currency risk as most of its assets and liabilities are denominated in UAE Dirhams or in US Dollars, the latter being currently pegged to the UAE Dirham at a fixed rate of exchange of 3.67 AED/USD.

(f) Interest rate risk

The Group adopts a policy of ensuring that at any time at least 50% of the debt exposure to changes in interest rate on borrowings of the Group is hedged, provided the total debt exceeds USD 25 million. The Group has not entered into any new hedge contract during the year ended 31 December 2013.

The Group has recognised the ineffective portion amounting to USD 29,000 *(31 December 2012: USD 326,000)* of the hedge in the profit and loss account during the year ended 31 December 2013 as part of net finance cost. This hedging transaction was fully settled as at 31 December 2013 as the underlying hedge item was already paid off.

Fair value of financial instruments

Management considers that the fair values of financial assets and financial liabilities approximate their carrying amounts as stated in the consolidated financial statements.

As at 31 December 2013 and 2012, the Group did not have any material financial assets and liabilities that are measured subsequent to initial recognition at fair value.

29 Operating segments

The Group has the following major reportable segments, which are the Group's strategic business units for which the Group's CODM reviews internal management reports. The Group operates in the Emirate of Abu Dhabi, Dubai and the Sultanate of Oman and the following summary describes the operations in each of the Group's reportable segments:

Reportable segments	**Operations**
Central region	Operation of hospitals, clinics and pharmacies in Abu Dhabi. The hospitals cater to both inpatient and outpatient care.
Western and Eastern region	Operation of hospitals, clinics and pharmacies in Abu Dhabi. The hospitals cater to both inpatient and outpatient care.
International	Operation of clinic and pharmacies in the Sultanate of Oman. The clinic caters to outpatient care.
Northern Emirates	Operation of clinic and physiotherapy in Dubai. The clinic caters to outpatient care.

Performance is measured based on segment profit as included in the internal management reports that are reviewed by the Group's CODM. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of each segment.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. As a result of the Group's liabilities not being directly reviewed by the Group's CODM, segment liabilities have not been disclosed in the consolidated financial statements.

Information about reportable segments:

31 December 2013	Central region USD'000	Western and eastern region USD'000	International USD'000	Northern Emirates USD'000	Total USD'000
Revenue	**277,751**	**86,866**	**30**	**253**	**364,900**
Net profit/(loss)	**78,708**	**19,886**	**(784)**	**(16)**	**97,794**
Interest expense	**(227)**	**(38)**	**(2)**	**(5)**	**(272)**
Depreciation	**(4,998)**	**(2,054)**	**(51)**	**(26)**	**(7,129)**
Capital expenditure	**7,530**	**3,597**	**427**	**-**	**11,554**
Segment total assets	**81,166**	**38,654**	**2,392**	**5,516**	**127,728**

	Central region USD'000	Western and eastern region USD'000	International USD'000	Northern Emirates USD'000	Total USD'000
31 December 2012					
Revenue	251,046	73,133	-	-	324,179
Net profit	70,241	11,082	-	-	81,323
Interest expense	(227)	(23)	-	-	(250)
Depreciation	(6,097)	(2,666)	-	-	(8,763)
Capital expenditure	4,517	1,156	-	-	5,673
Segment total assets	76,021	23,835	915	-	100,771

Reconciliations of reportable segment revenue, net profit and segment total assets:

	2013 USD'000	2012 USD'000
Revenue		
Total revenue for reportable segments	**364,900**	324,179
Other revenue	**141**	184
Total revenue for the year	**365,041**	324,363

	2013 USD'000	2012 USD'000
Net profit		
Total net profit for reportable segments	**97,794**	81,323
Other loss	**-**	(11)
Other income	**242**	2

	2013	2012
Interest income	**1,412**	1,220
Unallocated corporate expenses:		
Depreciation	**(642)**	(356)
Interest expenses	**(7,703)**	(2,179)
Other expenses	**(23,299)**	(19,518)
Listing transaction costs	**(6,134)**	-
Net profit for the year	**61,670**	60,481

Reconciliations of reportable segment revenue, net profit and segment total assets:

	2013 USD'000	2012 USD'000
Total assets		
Total assets for reportable segments	**127,728**	100,771
Unallocated assets:		
Short term deposit	**-**	5,450
Cash and cash equivalents	**107,549**	55,659
Head office assets	**23,516**	18,661
Amounts due from related parties	**1,219**	20
Total assets	**260,012**	180,561

Reconciliations of reportable segment revenue, net profit and segment total assets:

	Reportable segment totals USD'000	**Adjustments USD'000**	**Total USD'000**
Other material items for the year ended 31 December 2013			
Interest expenses	**(272)**	**(7,703)**	**(7,975)**
Depreciation and amortisation	**(7,129)**	**(640)**	**(7,769)**
Capital expenditure	**11,554**	**7,769**	**19,323**
Other material items for the year ended 31 December 2012			
Interest expenses	(250)	(2,194)	(2,444)
Depreciation	(8,763)	(356)	(9,119)
Capital expenditure	5,673	1,057	6,730

Major customer

Revenue from the following customers of the Group represented approximately 68.1% *(2012: 64.2%)* of total revenue of the Group.

	2013 USD'000	2012 USD'000
Customer I	**209,430**	166,579
Customer II	**39,341**	41,575
	248,771	208,154

30 Acquisition of subsidiaries

(a) Al Madar Group LLC

On 31 October 2013, the Group acquired 75% of the shares and voting interests in Al Madar Group LLC which includes Al Madar Medical Center Pharmacy, Aquacare Medical Center and Al Madar Medical Center, for USD 11.2 million (AED 41.25 million). Total consideration amount included under other payables as at 31 December 2013.

Acquisition-related costs
The Group incurred acquisition-related costs of USD 128,000 on legal fees and due diligence costs. These costs have been included in "Administrative expenses" under non-underlying.

(b) Manchester Clinic and British Urology Center LLC

On 31 October 2013, the Group acquired 75% of the shares and voting interests in Manchester Clinic LLC and 100% beneficial ownership of British Urology Center LLC, for an amount of USD 4.8 million (AED 17.5 million).

Acquisition-related costs
The Group incurred acquisition-related costs of USD 95,000 on legal fees and due diligence costs. These costs have been included in "Administrative expenses" under non-underlying.

(c) Al Noor Hospital Family Care Center – Al Mamoura LLC

In February 2013, the Group acquired a clinic, Al Noor Hospital Family Care Center – Al Mamoura LLC, formerly known as Solutions Medical Center LLC located in the Emirate of Abu Dhabi. The Group owns 100% of share capital of this company. There are no material separately identifiable tangible and intangible assets and therefore the majority of the purchase consideration is for goodwill, representing the location and future earning potential of the clinic. Operation of this clinic commenced during the year.

Identifiable assets acquired and liabilities assumed on above companies
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Al Madar USD'000	Manchester USD'000	Al Mamoura USD'000	Total USD'000
Property and equipment	**2,029**	**488**	**325**	**2,842**
Inventories	**183**	**-**	**84**	**267**
Trade and other receivables	**1,517**	**163**	**-**	**1,680**
Cash and cash equivalents	**2,347**	**107**	**-**	**2,454**
Bank overdraft	**-**	**(197)**	**-**	**(197)**
Trade and other payables	**(885)**	**(342)**	**-**	**(1,227)**
Employee benefits obligations	**(240)**	**(380)**	**-**	**(620)**
Total identifiable net assets acquired	**4,951**	**(161)**	**409**	**5,199**
% share of total net assets paid/accrued for	**3,714**	**(121)**	**409**	**4,002**
Purchase consideration:				
Cash paid in 2013 for purchase	-	4,763	1,045	5,808
Payables as at 31 December 2013*	11,240	-	-	11,240
	11,240	**4,763**	**1,045**	**17,048**
Goodwill**	**7,526**	**4,884**	**636**	**13,046**

Reconciliation to consolidated statement of cash flow:

Cash paid in 2013 for purchase	**5,808**
Less: cash and cash equivalents acquired	**(2,454)**
Plus: bank overdraft acquired	**197**
Plus: acquisition related costs	**507**
	4,058

*The Group has included USD 2.8 million as contingent consideration payable to the selling shareholders of Al Madar Group LLC if the acquiree's target quarterly profit of USD 545,000 is achieved over the next 11 quarters *(refer to note 13).*

**Goodwill arose on the above business acquisitions during the year, is attributable to the client/patient lists, location, skills of the doctors and nurses of each subsidiaries' work force *(refer note 5).*

(d) Emirates American Company for Medical Services LLC

During the year 2013, the Group entered into a conditional contract to acquire 100% of the shares and voting interests in Emirates American Company for Medical Services LLC (also known as "Gulf International Cancer Center"/"GICC") *(refer note 32)*. As a result of this, the Group incurred acquisition-related costs of USD 284,000 on legal fees and due diligence costs. These costs have been included in non-underlying administrative expenses. The transaction completed on 10 February 2014 with control being deemed to transfer on that date.

31 Non-controlling interest (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

	Al Madar USD'000	**Manchester USD'000**	**Total USD'000**
Non-current assets	2,389	462	2,851
Current assets	4,822	170	4,992
Non-current liabilities	(266)	(384)	(650)
Current liabilities	(859)	(424)	(1,283)
Net assets/(deficit)	**6,086**	**(176)**	**5,910**
Carrying amount of NCI/(deficit)	**1,521**	**(44)**	**1,477**
Revenue	2,768	253	3,021
Profit	1,134	(16)	1,118
OCI	-	-	-
Total comprehensive income/(loss)	**1,134**	**(16)**	**1,118**
Profit/(loss) allocated to NCI	**283**	**(4)**	**279**
Cash flows operating activities	(698)	(102)	(800)
Cash flows investment activities	(444)	-	(444)
Cash flows financing activities	(6)	-	(6)
Net decrease in cash and cash equivalents	**(1,148)**	**(102)**	**(1,250)**

32 Subsequent events

On 30 December 2013, the Group announced its intention to acquire 100% of the issued share capital of Emirates American Company for Medical Services LLC (also known as Gulf International Cancer Center/ "GICC") for a consideration of USD 21.8 million (AED 80 million). An additional payment of USD 2.7 million will be paid upfront for lease rent, and additional payments of up to USD 2.2 million will be payable subject to performance up to the end of 2014. Whilst the Sale and Purchase Agreement (SPA) was concluded on 29 December 2013, the SPA included certain conditions that needed to be fulfilled before the transaction could be completed. The conditions remained to be met at 31 December 2013 and therefore, GICC was not accounted for as a subsidiary in the Group's 31 December 2013 financial statements.

The principal conditions to complete the transaction were met on 10 February 2014 when control is deemed to have passed to Al Noor. As management has only recently had full access to the books and records of GICC, it has not been possible to complete an allocation of the purchase price for inclusion in these financial statements. A purchase price allocation of the consideration across the intangible and tangible net assets acquired will be performed and will be presented in the Group's 30 June 2014 half year condensed interim financial statements.

33 Comparative information

During 2013, the Group modified the classification of the following significant balance sheet captions to reflect more appropriately the way in which economic benefit are derived from its use. As a result, the following reclassification was made in the comparative information of the consolidated financial statements:

a. USD 1.2 million was reclassified from trade and other payables to trade and other receivables *(refer note 8 and 13).*

b. USD 137,000 was reclassified from trade and other payables to amount due to related parties *(refer note 13 and 7).*

c. USD 114,000 was reclassified from trade and other receivables to cash and cash equivalents *(refer note 8 and 9)*.

34 Al Noor Hospitals Group Plc – Company

34.1 Statement of financial position

as at 31 December 2013

	Note	2013 USD'000
Non-current assets		
Investment in subsidiary	**34.7**	**705,492**
Current assets		
Prepayments		**283**
Amount due from related party	**34.8(a)**	**760**
Total current assets		**1,043**
Total assets		**706,535**
Equity		
Share capital	**34.9**	**18,076**
Share premium	**34.9**	**693,549**
Accumulated loss		**(8,183)**
Share option reserve	**16**	**2,897**
Total equity		**706,339**
Current liabilities		
Other payables		**196**
Total equity and liabilities		**706,535**

34.2 Statement of changes in equity

for the period ended 31 December 2013*

	Share capital USD'000 *(Note 34.9)*	Share premium USD'000 *(Note 34.9)*	Accumulated loss USD'000	Share option reserve USD'000 *(Note 16)*	Total USD'000
At the beginning of the period*	-	-	-	-	-
Loss for the period*	-	-	(8,183)	-	(8,183)
Total comprehensive loss	**-**	**-**	**(8,183)**	**-**	**(8,183)**
Transactions with owners of the Company:					
Group restructuring	15,467	556,450	-	-	571,917
Shares issued at IPO	2,609	147,391	-	-	150,000
Equity-settled share-based payment *(refer note 16)*	-	-	-	2,897	2,897
Listing transaction costs*(refer note 22)*	-	(10,292)	-	-	(10,292)
At 31 December 2013	**18,076**	**693,549**	**(8,183)**	**2,897**	**706,339**

**The period from 20 December 2012 (date of incorporation) to 31 December 2013.*

34.3 Statement of cash flows

for the period ended 31 December 2013*

	Notes	**2013* USD'000**
Operating activities		
Loss for the period*		**(8,183)**
Adjustments for:		
Equity-settled share-based payment transactions	*16*	**2,897**
Listing transaction costs	*22*	**3,802**
Net cash used in operating activities before movements in working capital		**(1,484)**
Change in prepayments		**(283)**
Change in amount from a related party	*34.8(a)*	**(760)**
Change in other payables		**196**
Net cash used in operating activities		**(2,331)**
Investing activities		
Capital contribution	*34.7*	**(133,575)**
Financing activities		
Proceeds from issue of shares	*34.9*	**150,000**
Listing transaction costs	*22*	**(14,094)**
Net cash from financing activities		**135,906**
Net movement in cash and cash equivalents		**-**
Cash and cash equivalents at the beginning of the period*		**-**
Cash and cash equivalents at the end of the period*		**-**

**The period from 20 December 2012 (date of incorporation) to 31 December 2013.*

34.4 Status and activity

Al Noor Hospitals Group Plc (the "Company" or "Parent'') is a Company which was incorporated in England and Wales on 20 December 2012. The Company is a public limited liability company operating mainly in the United Arab Emirates ("UAE"). The address of the registered office of the Company is C/O Capita Company Secretarial Services, 2nd Floor, Ibex House, 42-47 Minories, London, EC3N 1DX. The registered number of the Company is 8338604. There is no ultimate controlling party.

The Company changed its name from Al Noor Hospitals Plc to Al Noor Hospitals Group Plc on 21 June 2013.

The Company completed its Premium Listing on the London Stock Exchange on 21 June 2013.

These financial statements are the separate financial statements of the Parent Company only and the financial statements of the Group are prepared and presented separately. The financial statements are available at the registered office of Al Noor Hospitals Group Plc C/O Capita Company Secretarial Services, 2nd Floor, Ibex House, 42-47 Minories, London, EC3N 1DX, UK.

34.5 Basis of preparation

These are the first financial statements of the Company for the period from 20 December 2012 to 31 December 2013 (“the period”). Hence, comparative information is not presented.

(d) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (adopted IFRS) and the Companies Act 2006.

(e) Basis of measurement

The financial statements have been prepared on the historical cost basis.

No profit and loss account is prepared by the Company as permitted by Section 408 of the Companies Act 2006.

(c) Functional and presentation currency

The consolidated financial statements and financial information are presented in United States Dollar (USD), rounded to the nearest thousand. The functional currency of the majority of the Group’s entities is the United Arab Emirates Dirham (AED) and is the currency of the primary economic environment in which the Group operates. The United Arab Emirates Dirham (AED) is currently pegged against the United States Dollar (USD) at a rate of 3.67 per US Dollar.

34.6 Significant accounting policies

Except for the changes below, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application 1 January 2013.

- *Presentation of items of other comprehensive income (OCI) (Amendments to IAS 1)*
- *IFRS 13 Fair value Measurement*
- IAS 19 *Employee Benefits (2011)*

The adoption of these standards and amendments to standards had no material effect on these financial statements.

(a) Financial assets

The Company’s financial assets comprise amount due from a related party.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire; or it transfers the asset and substantially all the risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities

The Company’s financial liabilities comprise of other payables. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. The Company has no compound financial instruments.

(i) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company comprise ordinary shares and are recorded at the proceeds received, net of direct issue costs.

(ii) Debt instruments
Other payables are classified as ‘other financial liabilities’ and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognises financial liabilities when its contractual obligations are discharged, cancelled or expire.

(c) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and the risks specific to the liability.

(d) Finance income

Finance income comprises foreign currency exchange differences.

(e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(f) Earnings per share

The Company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

(g) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the period ended 31 December 2013 have not been applied in preparing these financial statements. None of these is expected to have a significant effect on these financial statements of the Company, except for IFRS 9 "*Financial instruments"* which could change the classification and measurement of the financial assets. The full extent of the impact has not yet been determined.

(h) Listing transaction costs

Transaction costs of the Initial Public Offer (IPO) that are directly attributable to issue of new shares are accounted for as a deduction from share premium. Cost relating to the issue of existing shares are expensed in the profit and loss account. Marketing costs for the IPO do not meet the definition of directly attributable expenses and are therefore expensed through the statement of profit or loss under non-underlying items together with the indirect costs related to the IPO.

34.7 Investment in subsidiaries

	Ownership %	**2013 USD'000**
Al Noor Holdings Cayman Limited (ANHC)	**100%**	**705,492**
Initial investment based on the net assets of investee		**571,917**
Additional capital contribution		**133,575**
Total investment in subsidiaries		**705,492**

This investment is stated at cost less impairment, if any. This represents the cost of investment in Al Noor Holdings Cayman Limited (previous parent company), a wholly owned subsidiary of the Company. Al Noor Hospitals Group Plc issued shares to the existing shareholders of Al Noor Holdings Cayman Limited in exchange for shares already held in all the operating companies. The cost of investment represents the Company's shares of net assets of Al Noor Holdings Cayman Limited at the date of the group restructuring. In addition, the Company has made an additional capital contribution to the equity capital of Al Noor Holdings Cayman Limited amounting to USD 133,575 thousand.

The activities of the subsidiary are the operation of medical hospitals and clinics and the sale of pharmaceuticals, medical supplies and related equipment.

The Group's effective shareholding in its subsidiary entities is set out below:

Name of the Company	Country of Incorporation	2013
Al Noor Holdings Cayman Limited (ANHC)	Cayman Islands	**100.0%**
ANMC Management Limited (ANMC)	Cayman Islands	**100.0%**
Noor Commercial Investment LLC (ANCI)	UAE	**99.0%**
Al Noor Golden Commercial Investment LLC (ANGCI)	UAE	**99.9%**
Al Noor Medical Company – Al Noor Hospital - Al Noor Pharmacy and Al Noor Warehouse LLC	UAE	**99.9%**
Abu Dhabi Medical Services LLC	Sultanate of Oman	**99.9%**
Al Noor Hospital Family Care Center – Al Mamoura LLC	UAE	**99.9%**
Al Madar Group LLC	UAE	**74.9%**
Manchester Clinic LLC	UAE	**74.9%**
British Urology Center LLC	UAE	**100.0%**

34.8 Related party balances and transactions

Related parties comprise the subsidiaries the Shareholders, key management personnel and those entities over which the parent, the ultimate parent, the directors or the Company can exercise significant influence or which can significantly influence the Company.

(a) Amount due from a related party:

	2013 USD'000
Al Noor Holdings Cayman Limited	**760**

(b) Key management personnel compensation:

The compensation of key management personnel during the period* was as follows:

	2013* USD'000
Directors' remuneration*	**448**
Equity-settled share-based payment transactions *(refer note 16)*	**565**

*Directors' remunerations include directors' fees and additional fees for the period ended 31 December 2013.
**The period from 20 December 2012 (date of incorporation) to 31 December 2013.*

34.9 Share capital

	2013 USD'000
Issued and fully paid 116,866,203 shares of GBP 10 pence each *(converted to USD at 1.5467)*	**18,076**

Movement of issued share capital and share premium:

	Number of shares 000	Ordinary shares USD'000	Share premium USD'000	Total USD'000
At the beginning of the period*	-	-	-	-
Issue of new shares[1]	100,000	15,467	556,450	571,917
Issue of new shares – IPO[2]	16,866	2,609	147,391	150,000
Less: flotation cost[3] *(refer note 22)*	-	-	(10,292)	(10,292)
At 31 December 2013	**116,866**	**18,076**	**693,549**	**711,625**

[1] The Company was restructured on 14 June 2013 when the Company acquired its investment in Al Noor Holdings Cayman Limited by way of a share for share exchange with the shareholders of those companies being identical to the shareholders of the Company. 100,000,000 shares were issued to the shareholders of the Al Noor Holdings Cayman Limited creating share premium of USD 556,450 thousand.

[2] On 21 June 2013, the Company completed its Premium Listing on the London Stock Exchange and raised USD 150,000 thousand and from the issue of 16,866 thousand new ordinary shares, thereby diluting existing shareholders equity interest to 85.57%.

[3]During the period ended 31 December 2013 costs of USD 16,426 thousand were incurred in relation to completion of the Company's Premium Listing on the London Stock Exchange. Of these costs, USD 10,292 thousand has been deducted from the share premium account and USD 6,134 thousand has been charged to the statement of profit or loss in accordance with the requirements of IAS 32 – *Financial Instruments: Disclosure and Presentation (refer note 22).*

**The period from 20 December 2012 (date of incorporation) to 31 December 2013.*

Other class of shares outstanding as at 31 December 2013

	No. of shares	Amount USD
Preference shares (redeemable non-voting)	**50,000**	**77,335**
Subscriber shares	**10**	**2**

34.10 Auditor's remuneration

The Company paid an amount of USD 24,600 to its auditor in respect of the audit of the Company's annual accounts together with USD 25,600 in respect of the audit related assurance services for the period ended 31 December 2013.

34.11 Financial instruments

(a) Capital risk management

The Company manages its capital to ensure it is able to continue as a going concern while maximising the return on equity. The Company does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objective. The Company's overall strategy remains unchanged from the prior year. The Company is not subject to externally imposed capital requirements.

(b) Financial risk management objectives

The Company is exposed to the following risks related to financial instruments-credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company does not enter into or trade in financial instruments, investments in securities, including derivative financial instruments, for speculative or risk management purposes.

(c) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. There is no credit risk involve on the Company's financial statements except for the amount due from a related party disclosed below;

	2013 USD'000
Amount due from a related party	**760**

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors of the Company, who has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. The table below summarises the maturity profile of the Company's non-derivative financial liabilities. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual repayment date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on existing contractual repayment arrangements was as follows:

	Carrying amount USD'000	Contractual cash flows USD'000	1 year or less USD'000	More than one year USD'000
31 December 2013				
Other payables	**196**	**(196)**	**(196)**	**-**