United Printing and Publishing LLC

Directors' report and consolidated financial statements for the year ended 31 December 2021

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Directors' report for the year ended 31 December 2021

The Directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2021 of United Printing and Publishing LLC (the "Company") and its subsidiary Tawzea Distribution & Logistics Services (the "Subsidiary" and collectively referred to as the "Group") for the year ended 31 December 2021.

Principal activities

The Group's principal activities comprise printing, publishing, packaging and distributing newspapers, magazines, books and other printed materials.

Results for the year

The results of the Group for the year are set out on page 7 of the consolidated financial statements.

Directors

The Directors who served after 24 March 2022 and up to the date of this report are:

Mr. Ahmed Al Shamsi	(Chairman)
Mr. Domantas Bagusis	(Member)
Mr. Geraint Thomas	(Member)
Mrs. Iman Al Qasim	(Member)
Mr. Mike Henderson	(Member)

The Directors who served during the year and up to 24 March 2022 are:

H.E. Ali Rashid Al Nuaimi	(Chairman)
Ahmad Balouma	(Member)
Rajeev Mehta	(Member)

Auditors

The consolidated financial statements for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers who retire and being eligible, offer themselves for reappointment.

On behalf of Board of Directors
7 December 2022

Mr. Ahmed Al Shamsi
Chairman

Independent auditor's report to the shareholder of United Printing and Publishing LLC

Report on the audit of the consolidated financial statements

Our opinion

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

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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Independent auditor's report to the shareholder of United Printing and Publishing LLC (continued)

Report on the audit of the consolidated financial statements (continued)

Other information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

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

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

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

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

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

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Independent auditor's report to the shareholder of United Printing and Publishing LLC (continued)

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

(iii) the Group has maintained proper books of account;

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

(v) as disclosed in Note 1 to the consolidated financial statements, the Group has not purchased or invested in any shares during the year ended 31 December 2021;

(vi) as disclosed in Note 1 to the consolidated financial statements, the Group has not made any social contribution during the year ended 31 December 2021;

(vii) Note 17 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

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Independent auditor's report to the shareholder of United Printing and Publishing LLC (continued)

Report on other legal and regulatory requirements (continued)

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

Further, as required by the Resolution of the Chairman of the Abu Dhabi Accountability Authority No. (1) of 2017 pertaining to Auditing the Financial Statements of Subject Entities, we report that based on the procedures performed and information provided to us, nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2021:

(i) Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance pertaining to the preparation and implementation of the annual budget of Subject Entities;

(ii) law of establishment; and

(iii) relevant provisions of the applicable laws, resolutions and circulars organizing the Group's operations.

PricewaterhouseCoopers
27 December 2022

Rami Sarhan
Registered Auditor Number 1152
Abu Dhabi, United Arab Emirates

United Printing and Publishing LLC

Consolidated statement of financial position

	Note	As at 31 December 2021 AED '000	2020 AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	261,619	226,165
Right-of-use assets	6	15,329	11,497
Intangible assets		1,123	186
		278,071	237,848
Current assets			
Inventories	7	75,174	83,235
Due from related parties	17	122,927	135,069
Trade and other receivables	8	155,442	90,836
Cash and cash equivalents	9	169,589	178,187
		523,132	487,327
Total assets		801,203	725,175
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	317,560	317,560
Shareholder's contribution	12	76,109	76,109
Statutory reserve	11	24,850	24,850
Retained earnings		28	32,616
Total equity		418,547	451,135
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits	13	25,342	22,356
Lease liabilities	6	11,161	8,499
		36,503	30,855
Current liabilities			
Trade and other payables	16	292,386	197,987
Due to related parties	17	9,987	8,369
Deferred revenues	14	39,846	33,833
Lease liabilities	6	3,934	2,996
		346,153	243,185
Total liabilities		382,656	274,040
Total equity and liabilities		801,203	725,175

These consolidated financial statements were approved and authorized on 7 December 2022 and signed on behalf by:

....
Mr. Ahmed Al Shamsi
Chairman

....
Mr. Ali Saif AlNuaimi
General Manager

United Printing and Publishing LLC

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2021 AED '000	2020 AED '000
Revenues from contracts with customers	18	348,271	307,512
Direct costs	19	(318,157)	(233,468)
Gross profit		30,114	74,044
General and administrative expenses	20	(62,721)	(57,662)
Selling and marketing expenses	21	(4,765)	(1,018)
Reversal of impairment losses on financial assets	8	521	6,224
Other income	24	4,235	2,305
Operating (loss)/profit		(32,616)	23,893
Finance cost	23	(618)	(421)
Finance income	23	646	868
Finance income – net		28	447
(Loss)/profit for the year		(32,588)	24.340
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(32,588)	24,340

Consolidated statement of changes in equity

	Share capital AED '000	Shareholder's contribution AED '000	Statutory reserve AED '000	Retained earnings AED '000	Total AED '000
At 1 January 2020	317,560	34,003	22,416	10,710	384,689
Total comprehensive income for the year	-	-	-	24,340	24,340
Transfer to statutory reserve	-	-	2,434	(2,434)	-
Waiver of loan from the shareholder (Note 15)	-	42,106	-	-	42,106
At 31 December 2020	317,560	76,109	24,850	32,616	451,135
Total comprehensive loss for the year	-	-	-	(32,588)	(32,588)
At 31 December 2021	317,560	76,109	24,850	28	418,547

The notes on pages 11 to 49 are an integral part of these consolidated financial statements

United Printing and Publishing LLC

Consolidated statement of cash flows

	Note	Year ended 31 December 2021 AED '000	2020 AED '000
Operating activities			
(Loss)/profit for the year		(32,588)	24,340
Adjustments for:			
Depreciation of property, plant and equipment	5	30,787	28,270
Depreciation of right-of-use assets	6	4,786	5,855
Amortisation of intangible assets		87	8
Impairment loss on property, plant and equipment	5	40,386	-
Gain on sale of property, plant and equipment		-	(6)
Gain on derecognition of lease liabilities and right-of-use of assets		-	(409)
Reversal of impairment losses on financial assets	8	(521)	(6,224)
Provision for slow moving and obsolete inventories	7	246	832
Provision for employees' end of service benefits	13	4,718	3,708
Loss on written-off property, plant and equipment		1,110	-
Finance income – net	23	(28)	(447)
Cash flows generated from operating activities before employees' end of service benefits paid and changes in working capital:		48,983	55,927
Employees' end of service benefits paid	13	(1,732)	(3,490)
Changes in working capital:			
Inventories		7,815	6,927
Due from related parties		12,142	(49,805)
Trade and other receivables		(64,085)	22,633
Trade and other payables		94,399	22,344
Due to related parties		1,618	(414)
Deferred revenues		6,013	(10,257)
Net cash generated from operating activities		105,153	43,865
Investing activities			
Payments for property, plant and equipment	5	(107,737)	(8,428)
Payments for intangible assets		(1,024)	(194)
Finance income received		646	868
Proceeds from disposal of property, plant and equipment sale		-	32
Net cash used in investing activities		(108,115)	(7,722)

United Printing and Publishing LLC

Consolidated statement of cash flows (continued)

	Note	Year ended 31 December 2021 AED'000	2020 AED'000
Financing activities			
Principal elements of lease payments	6	(5,018)	(5,828)
Finance cost paid	23	(618)	(421)
Net cash used in financing activities		(5,636)	(6,249)
Net (decrease)/increase in cash and cash equivalents		(8,598)	29,894
Cash and cash equivalents at 1 January		178,187	148,293
Cash and cash equivalents at 31 December	9	169,589	178,187
Non-cash transactions:			
Right of use and lease liabilities additions	6	8,618	12,976
Waiver of loan from a shareholder	15	-	42,106

1 General information

United Printing and Publishing LLC ("UPP" or the "Company") and its subsidiary (collectively referred to as the "Group") is a Limited Liability Company registered in the Emirate of Abu Dhabi, United Arab Emirates on 15 May 2006 in accordance with the provisions of the UAE Federal Law No. 8 of 1984, as amended. The registered address of the Company is Al shahama, Abu Dhabi, United Arab Emirates, PO Box 39955.

The Company is 100% owned by Abu Dhabi Media Company PJSC (The "Parent Company").

During 2019, the Parent Company's ownership was transferred to Abu Dhabi Developmental Holding Company PJSC ("ADQ", or the "Ultimate Parent Company") as per Abu Dhabi Law No. 2 of 2018 and Abu Dhabi Executive Council Resolution No 143 of 2019, issued on 20 June 2019. The Parent Company is ultimately owned by the Government of Abu Dhabi (the "Ultimate Shareholder").

ADQ was formed with a view to reorganize various entities, including certain subsidiaries, controlled indirectly by the Government (the "Subsidiaries"). Accordingly, following its formation, the legal and beneficial ownership of and control over the Subsidiaries was transferred by the Government to ADQ. Consequently, the subsidiaries are effectively and ultimately controlled by the same party both before and after the reorganization.

The Company's principal activities comprise printing, publishing and packaging newspapers, magazines, books and other printed materials.

The company is required, for the year ended 31 December 2021, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015, as amended. On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 ("Companies Law") was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021.

The Company holds an investment in a fully owned subsidiary, Tawzea Distribution & Logistics Services Establishment (the "Subsidiary"). The principal activities of the subsidiary are distribution and delivery of parcels and printed materials.

The Group has not purchased or invested in any shares during the year ended 31 December 2021. Further, the Company has not made any social contribution during the year.

During 2021, based on the Shareholder's resolution, the Parent Company made a decision to transfer 100% of the ownership of the Subsidiary to ADQ. Further, the transaction was completed on 16 September 2022, and the Company changed its legal name to United Printing and Publishing – Sole proprietorship LLC (Note 28).

2 Significant accounting policies

The significant accounting policies adopted by the Group in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS.

The consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the Group's functional and reporting currency. All amounts have been recorded to the nearest thousand, unless otherwise stated.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

New and revised IFRS applied in the preparation of the consolidated financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in these consolidated financial statements. The application of these revised IFRS, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The amendments cover the following areas:

- Accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform: For instruments to which the amortised cost measurement applies, the amendments require entities, as a practical expedient, to account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9. As a result, no immediate gain or loss is recognised. This practical expedient applies only to such a change and only to the extent it is necessary as a direct consequence of IBOR reform, and the new basis is economically equivalent to the previous basis. Insurers applying the temporary exemption from IFRS 9 are also required to apply the same practical expedient. IFRS 16 was also amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of IBOR reform.

- End date for Phase 1 relief for non-contractually specified risk components in hedging relationships: The Phase 2 amendments require an entity to prospectively cease to apply the Phase 1 reliefs to a non-contractually specified risk component at the earlier of when changes are made to the non-contractually specified risk component, or when the hedging relationship is discontinued. No end date was provided in the Phase 1 amendments for risk components.

- Additional temporary exceptions from applying specific hedge accounting requirements: The Phase 2 amendments provide some additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

New and revised IFRS applied in the preparation of the consolidated financial statements (continued)

- Additional IFRS 7 disclosures related to IBOR reform: The amendments require disclosure of: (i) how the entity is managing the transition to alternative benchmark rates, its progress and the risks arising from the transition; (ii) quantitative information about derivatives and non-derivatives that have yet to transition, disaggregated by significant interest rate benchmark; and (iii) a description of any changes to the risk management strategy as a result of IBOR reform.

As at 31 December 2021 applicable interest rate benchmarks in the Group's agreements have not been replaced. As a result, the adoption of the Phase 2 amendments had no impact on the consolidated financial statements for the year ended 31 December 2021. Management will continue to monitor relevant developments and will evaluate the impact of the Phase 2 amendments on the condensed interim financial information as IBOR reform progresses.

New standards and amendments and interpretations issued and effective but have no material impact to the Group's consolidated financial statements:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 19.

New and revised IFRS issued but not yet effective and not early adopted by the Group:

- IFRS 17, 'Insurance contracts' (effective 1 January 2023);
- Amendments to IFRS 3 (effective 1 January 2022);
- Amendments to IAS 37 (effective 1 January 2022);
- Amendments to IAS 16 (effective 1 January 2022);
- Amendments to IAS 1 (effective 1 January 2023);
- Amendments to IAS 12 (effective 1 January 2023)
- Amendments to IAS 8 (effective 1 January 2023); and
- Annual improvements to IFRS 9 and IFRS 16 (1 January 2022)

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2 Significant accounting policies (continued)

2.2 Basis of consolidation

(a) Business combinations

The Group accounts for business combinations using the acquisition method as at the acquisition date i.e. when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in consolidated statement of comprehensive income immediately. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in consolidated statement of comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in consolidated statement of comprehensive income.

(b) Subsidiaries

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary as at 31 December 2021 and 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group:

- power over an investee,
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders and other parties;
- rights raising from other contractual arrangements; and

2 Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(b) Subsidiaries (continued)

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns and previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and/or ceases when the Group loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss of each component of other comprehensive income is attributable to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributable to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(d) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates or joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

2 Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Consolidation based on management accounts

These consolidated financial statements include the share of (losses)/profit from associates and jointly controlled entities on the basis of unaudited financial statements prepared by the management.

2.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment except for lands are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognized in consolidated statement of comprehensive income as incurred. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amounts and are recognized within the consolidated statement of comprehensive income.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

2 Significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in the consolidated statement comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives for the current and comparative year are as follows:

Building	20 - 25 years
Plant and equipment	10 - 25 years
Furniture and fittings	3 years
Motor vehicles	5 years
Tools	2 years

Assets held under right-of-use of assets are depreciated over the shorter of their expected useful lives or the term of the relevant lease.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and any adjustments are accounted for prospectively, if appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the consolidated statement of comprehensive income.

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

2 Significant accounting policies (continued)

2.4 Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred. Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful life, from the date they are available for use. The estimated useful life in respect of the intangible asset for the current and comparative year is two to five years.

2.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to the existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

2.6 Financial instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit or loss or in the consolidated statement of other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Initial recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 Significant accounting policies (continued)

2.6 Financial instruments (continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 2.7 for further details.

(v) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss account or other financial liabilities. The Group's financial liabilities consist of 'trade and other payables excluding 'advances from customers', 'due to related parties' and 'lease liabilities'. Financial liabilities are initially measured at fair value. The subsequent measurement is at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

2.7 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 Significant accounting policies (continued)

2.7 Trade and other receivables (continued)

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as noncurrent assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group's trade receivables are subject to the credit risk-based model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables are presented on the face of the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group recognizes a loss allowance for expected credit losses (ECL) on financial assets measured at amortized cost. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognizes lifetime expected credit loss for other receivables and contract assets, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial assets, the Group recognises lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

2 Significant accounting policies (continued)

2.8 Impairment on non – financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Cash and cash equivalents

Cash and bank balances in the consolidated statement of financial position comprise cash at banks, cash on hand, margin deposits, short-term deposits with a maturity of three months or less and long-term deposits with maturity of more than three months which are subject to an insignificant risk of changes in value.

2.10 Offsetting financial instruments

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

2.11 Amortized cost of financial instruments

Amortized cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2.12 Fair value of financial instruments

The Group measures financial instruments, such as available for sale investments and investments carried at fair value through other comprehensive income, at fair value at each statement of financial position date.

2 Significant accounting policies (continued)

2.12 Fair value of financial instruments (continued)

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2 Significant accounting policies (continued)

2.12 Fair value of financial instruments (continued)

External valuers are involved for valuation of significant assets, when fair value is not readily available. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

2.13 Leases

The Group leases satellite space, offices, vehicles and warehouses. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 Significant accounting policies (continued)

2.13 Leases (continued)

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in the lease agreement. These are used to maximise operational flexibility in terms of managing the asset used in the Group's operations. The extension option held are exercisable only by the Group and not by the lessor.

2.14 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2 Significant accounting policies (continued)

2.15 Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a net basis. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.16 Employees' end of service benefits

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of reporting period.

Provision for employees' end of service benefits is made on the basis prescribed in the UAE Labor Law, for the accumulated period of service at the date of the consolidated statement of financial position. In accordance with the consistent policy being followed in this regard, provision for employees' end of service benefits is treated as a long-term liability. The accruals relating to annual leave and leave passage are disclosed as a current liability.

With respect to its UAE national employees, the Group makes contribution to Abu Dhabi Retirement Pensions and Benefits Fund ("the Fund") calculated in accordance to the Fund's regulations. The entity's obligations are accrued over the period of employment.

2.17 Provisions and contingent liabilities

A provision is recognized 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 at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are possible obligations, whose existence will only be confirmed by future events not wholly within the Group's control or present obligation where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.18 Deferred revenue

Deferred revenue are obligations to render future services for payments already collected. Deferred revenue are classified as current liabilities if performance of service is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2 Significant accounting policies (continued)

2.19 Revenue recognition

The Group recognizes revenue from contracts with customers based on a five-step model as sets out in IFRS 15.

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

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

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

The Group does not expect to have any contracts where the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction price for the time value of money.

2 Significant accounting policies (continued)

2.19 Revenue recognition (continued)

Printing revenue (commercial printing, newspaper printing and cards printing)

Sales of newspapers, cards and other commercial printing are recognised at point in time when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Distribution revenue

The Group provides distribution services, revenue is recognised at a point in time based on the actual service provided the customer as the customer receives and uses the benefits simultaneously.

2.20 Foreign currencies transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to loan from shareholders, cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other income'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2 Significant accounting policies (continued)

2.21 Finance income and finance cost

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in consolidated statement comprehensive income, using the effective interest method.

Finance expenses comprise interest expense on borrowings, and on lease liabilities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of comprehensive income using the effective interest method. Foreign currency gains and losses are reported on a net basis.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management process seeks to minimise potential adverse effects of these risks on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The table below indicates the extent to which the Group was exposed to currency risk at 31 December on its non-trading monetary assets and liabilities. The analysis is performed for a reasonable possible movement of the currency rate against AED with all other variable held constant on the statement of comprehensive income (due to the changes in fair value of currency sensitive non-trading monetary assets and liabilities).

The U.S. Dollar is pegged to AED therefore, no effect, resulting from the fluctuations in U.S. Dollar rate, is expected on the consolidated statement of comprehensive income.

	Increase currency rates	Effect on net loss AED '000
31 December 2021		
Currency		
Euro	10%	(6)
GBP	10%	-
31 December 2020		
Currency		
Euro	10%	(421)
GBP	10%	1

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group has no significant exposure to price risk as it does not hold any listed equity securities or commodities.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

Risk management

With respect to exposures with banks, management considers the credit risk exposure to be minimal as management does not expect any losses from non-performance by these counterparties. The table below shows the short-term credit rating at the reporting date as published by Moody's Investors Service:

Bank name	Credit Rating (Moody's)	2021	2020
		AED '000	AED '000
First Abu Dhabi Bank PJSC	a3	30,252	45,385
Abu Dhabi Commercial Bank	baa3	138,790	132,470
		169,042	177,855

* The Long-term rating for FAB is Aa3.
* The Long-term rating for ADCB is A1.
* The Long-term rating for CBD is Baa1.

Impairment of financial assets

For trade and other receivables, the Group is only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering past experience and other factors.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

As mentioned in Note 2.7, the Group's trade receivables are subject to credit risk-based model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance for trade receivables is based on assumptions about risk of default and expected loss rates.

The expected loss rates are based on the roll rates of past due receivables based on historic trend and the corresponding historical credit losses experienced within this period with the customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Other financial assets at amortised cost include due from related parties. Other financial assets at amortised cost are considered to have low credit risk, and the loss allowance considered during the year was therefore limited to historic expected losses. Management believes that the expected credit loss on the above category of financial assets is not material and hence no loss allowance was made for such financial assets at 31 December 2021 and at 31 December 2020.

(c) Liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding from the shareholders.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted payments and current market rates:

	Carrying value AED '000	Contractual cash out flows AED '000	1 year or less AED '000	More than 1 year AED '000
At 31 December 2021				
Trade and other payables	287,743	287,743	287,743	-
Due to related parties	9,987	9,987	9,987	-
Lease liabilities	15,095	17,014	3,934	11,161
Total	312,825	314,744	301,664	11,161

	Carrying value AED '000	Contractual cash out flows AED '000	1 year or less AED '000	More than 1 year AED '000
At 31 December 2020				
Trade and other payables	191,158	191,158	191,158	-
Due to related parties	8,369	8,369	8,369	-
Lease liabilities	11,495	18,622	9,595	9,027
Total	211,022	218,149	209,122	9,027

(d) Interest risk

The Group is not exposed to interest rate risk as it does not have any variable rate financial liabilities.

Interest rate risk arises from interest bearing financial instruments and reflects the possibility that changes in interest rates might adversely affect the value of the financial instruments and the related income or expense.

3 Financial risk management (continued)

3.2 Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

No changes were made in the objectives, policies or processes during the years end 31 December 2021 and 31 December 2020.

Capital comprises of share capital, shareholder's contribution, capital reserve, subsidiaries acquisition reserve and accumulated losses and is measured at AED 418,547 thousand (2020: AED 451,135 thousand).

4 Critical accounting judgments, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that could potentially have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows.

Useful lives and residual values of property, plant and equipment and intangible assets

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on projected product lifecycles. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles.

Management will change the depreciation charge where useful lives or residual values are different from their initial estimates, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Furthermore, management has reviewed the residual values and useful lives of the major item of property, plant and equipment and has determined that no adjustment is necessary.

4 Critical accounting judgments, estimates and assumptions (continued)

Impairment of property, plant and equipment

Management determines whether there are any indications of impairment to the carrying values of property, plant and equipment with definite lives, on an annual basis. If any such indication exists, the Group estimates the recoverable amount of the asset. This assessment requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Group to make an estimate of the expected future cash flows for the periods and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses of accounts receivable and amounts due from related parties

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables.

The loss allowance for trade receivables is based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation which are applied to the exposure at default to arrive at the expected credit losses at the reporting date. Management base their assumptions on the Group's historical data, existing market conditions as well as forward looking estimates.

At the consolidated statement of financial position date, gross accounts receivable was AED 267,381 thousand (2020: AED 227,978 thousand), and the provision for impairment losses on financial assets was AED 14,301 thousand (2020: AED 15,205 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the consolidated statement of comprehensive income.

Slow-moving and obsolete inventories provision

The Group reviews the ageing and movements of its inventory items to assess obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the consolidated statement of profit or loss and other comprehensive income, the Group makes judgments as to whether there is any observable evidence indicating that there is any future use of the product and the net realizable value for such product.

At the reporting date, gross inventories were AED 80,741 thousand (2020: AED 88,556 thousand), and the provision for obsolete inventories was AED 5,567 thousand (2020: AED 5,321 thousand). Any difference between the amounts actually realized in future periods and the amounts expected will be recognized in consolidated the statement of comprehensive income.

4 Critical accounting judgments, estimates and assumptions (continued)

Lease extension, termination options and incremental borrowing rate

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

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

- *Discount rates used for determination of lease liabilities*

The Group uses its incremental borrowing rate as a base for calculation of the discount rate because the interest rate implicit in the lease cannot be readily determined.

The following factors are determined the usage of the incremental borrowing rate: Since there are no rates implicit in the lease agreements and there is no debt portfolio currently in place, management has determined the IBR at 3.5% per annum. Management believes that this rate is reasonable considering borrowing rates in the market and considering value and term of the leased assets, in addition to its current outstanding loan amount and related interest rate.

4 Critical accounting judgments, estimates and assumptions (continued)

Lease extension, termination options and incremental borrowing rate (continued)

A 1% increase or decrease in discount rate at 31 December 2021 would result in an increase or decrease in lease liabilities of AED 925 thousand (1 January 2021: AED 421 thousand).

Contingencies and legal claims

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of probability of occurrence of contingencies inherently involves the exercise of significant judgement and estimate of the outcome of future events. When assessing the possible outcomes of legal claims, the Group relies on the opinion of the legal counsel. The opinions of the Group's legal counsel are based on the best of their professional judgement and take into consideration the current stage of the proceedings and legal experience accumulated with respect to the various matters. As a result of the claims may ultimately be determined by courts, or otherwise settled, they may be different from such estimates.

Provision for employees' end of service benefits

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the related countries. Future salary increases are based on expected future inflation rates for the respective country.

5 Property, plant and equipment

	Building AED '000	Plant and equipment AED '000	Furniture and fixtures AED '000	Motor vehicles AED '000	Tools AED '000	Capital work in progress AED '000	Total AED '000
Cost							
At 1 January 2020	182,662	406,659	24,378	5,582	2,421	2,391	624,093
Additions	-	1,813	3,408	2,938	86	183	8,428
Transfer from capital work in progress	-	264	153	-	-	(417)	-
Disposals	-	-	(28)	-	-	-	(28)
At 31 December 2020	182,662	408,736	27,911	8,520	2,507	2,157	632,493
Additions	1,135	4,191	1,591	10,409	206	90,205	107,737
Transfer from capital work in progress	9,033	59,990	-	-	-	(69,023)	-
Disposals	-	-	-	(9)	-	-	(9)
Write-off	-	-	-	-	-	(1,110)	(1,110)
At 31 December 2021	192,830	472,917	29,502	18,920	2,713	22,229	739,111
Accumulated depreciation and impairment							
At 1 January 2020	64,582	284,714	21,616	4,902	2,272	-	378,086
Charge for the year	7,297	17,859	2,114	881	119	-	28,270
Disposals	-	-	(28)	-	-	-	(28)
At 31 December 2020	71,879	302,573	23,702	5,783	2,391	-	406,328
Charge for the year	7,520	18,415	2,232	2,516	104	-	30,787
Disposals	-	-	-	(9)	-	-	(9)
Impairment charge (Note 19)	-	40,386	-	-	-	-	40,386
At 31 December 2021	79,399	361,374	25,934	8,290	2,495	-	477,492
Net book value							
At 31 December 2021	113,431	111,543	3,568	10,630	218	22,229	261,619
At 31 December 2020	110,783	106,163	4,209	2,737	116	2,157	226,165

Building has been established on land provided to the Group by the Parent Company, free of cost. The land is reflected as part of the assets of the Parent Company.

5 Property, plant and equipment (continued)

Depreciation for the year has been allocated as follows:

	2021 AED '000	2020 AED '000
Direct costs (Note 19)	27,959	25,452
General and administrative expenses (Note 20)	2,828	2,818
	30,787	28,270

6 Right-of-use assets and lease liabilities

Movements of the right-of-use assets during the year are summarized as follows:

	Warehouse AED '000	Motor vehicles AED' 000	Total AED '000
Cost			
At 1 January 2020	10,270	5,915	16,185
Additions	12,976	-	12,976
Derecognition of right-of-use of asset	(9,315)	-	(9,315)
31 December 2020	13,931	5,915	19,846
Additions	1,980	6,638	8,618
Retirement of lease	(609)	(5,915)	(6,524)
31 December 2021	15,302	6,638	21,940
Accumulated depreciation			
At 1 January 2020	1,867	2,957	4,824
Charge for the year	2,897	2,958	5,855
Derecognition of right-of-use of asset	(2,330)	-	(2,330)
31 December 2020	2,434	5,915	8,349
Charge for the year	3,804	982	4,786
Retirement of lease	(609)	(5,915)	(6,524)
31 December 2021	5,629	982	6,611
Net book value			
At 31 December 2021	9,673	5,656	15,329
At 31 December 2020	11,497	-	11,497

United Printing and Publishing LLC

Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

6 Right-of-use assets and lease liabilities (continued)

Movements in the lease liabilities during the year were as follows:

	AED '000
At 1 January 2020	11,740
Additions	12,976
Finance costs (Note 23)	421
Derecognition of lease	(7,393)
Lease payments	(6,249)
At 31 December 2020	11,495
Additions	8,618
Finance costs (Note 23)	618
Lease payments	(5,636)
At 31 December 2021	15,095

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

	2021 AED '000	2020 AED '000
Current	3,934	2,996
Non – current	11,161	8,499
	15,095	11,495

7 Inventories

	2021 AED '000	2020 AED '000
Raw materials	53,004	60,231
Spare parts	13,407	13,542
Work in progress	7,847	5,219
Finished goods*	6,483	9,564
	80,741	88,556
Less: provision for slow-moving and obsolete inventory	(5,567)	(5,321)
	75,174	83,235

* Finished goods represent books produced for the Ministry of Education (MoE) delivered subsequently in January 2022.

Related cost of inventories is recorded in the consolidated statement of comprehensive income under Direct costs (Note 19).

7 Inventories (continued)

The movement in the provision for slow-moving and obsolete inventories was as follows:

	2021 AED '000	2020 AED '000
At 1 January	5,321	4,896
Charge for the year (Note 19)	246	832
Written off during the year	-	(407)
At 31 December	5,567	5,321

8 Trade and other receivables

	2021 AED '000	2020 AED '000
Trade receivables	144,454	92,909
Less: expected credit losses allowance	(14,301)	(15,205)
	130,153	77,704
Advances to suppliers	12,188	1,670
Prepayments	7,664	9,192
Other receivables	5,437	2,270
	155,442	90,836

At 31 December 2021, the ageing analysis of trade receivables and corresponding loss allowance is as follows:

31 December 2021	**Total AED'000**	**Not past due AED'000**	**Up to 3 months AED'000**	**Between 3 to 6 months AED'000**	**Over 6 months AED'000**
Gross trade receivables	144,454	60,000	21,161	14,515	48,778
ECL %		1%	5%	5%	24%
Excepted credit losses	(14,301)	(733)	(1,076)	(699)	(11,793)
	130,153	59,267	20,085	13,816	36,985
31 December 2020					
Gross trade receivables	92,909	30,670	6,603	6,823	48,813
ECL %		6%	11%	29%	22%
Excepted credit losses	(15,204)	(1,768)	(701)	(1,963)	(10,772)
	77,704	28,902	5,901	4,860	38,041

As at 31 December 2021, trade receivables of AED 130,153 (2020: AED 77,704 thousand) were fully performing.

8 Trade and other receivables (continued)

Movements in the expected credit losses allowance were as follows:

	AED '000
At 1 January 2020	**21,818**
Unused amount reversed	(6,224)
Receivables written off during the year as uncollectable	(389)
At 31 December 2020	15,205
Unused amount reversed	(521)
Receivables written off during the year as uncollectable	(383)
At 31 December 2021	14,301

9 Cash and cash equivalents

	2021 AED '000	2020 AED '000
Cash in hand	547	332
Cash at banks	46,442	40,855
Bank deposits – short term*	122,600	137,000
	169,589	178,187

* Short term fixed deposits represent amounts deposited with a local bank for a maturity of less than 3 months and bearing interest rate of 0.5% per annum (2020: 1% per annum).

10 Share capital

	2021 AED '000	2020 AED '000
Authorized, issued and fully paid	317,560	317,560
Number of shares	186,800	186,800

The share capital comprises of fully paid up shares having a face value of AED 1,700 per share (2020: AED 1,700 per share).

11 Statutory reserve

As required by the UAE Federal Law No. (2) of 2015, as amended, and the Group's Articles of Association, 10% of the profit for the year is transferred to the statutory reserve. The Group may resolve to discontinue such annual transfers when the reserve totals 50% of the paid-up share capital. The statutory reserve is not available for distribution.

12 Shareholder's contribution

Shareholder's contribution represents the difference between the net present value of an interest-free loan and the interest-free loan received from the Parent Company.

During 2020, the Parent Company issued a resolution waiving the shareholder's loan (Note 15) requesting the conversion of the loan to equity effective 1 January 2020 as shareholder contribution at the carrying amount of AED 42,106 thousand.

13 Provision for employees' end of service benefits

	2021 AED '000	2020 AED '000
At 1 January	22,356	22,138
Charge for the year	4,718	3,708
Payments during the year	(1,732)	(3,490)
At 31 December	25,342	22,356

In accordance with the provisions of IAS 19 (revised), management has carried out an exercise to assess the present value of its obligations at 31 December 2021 and 2020, using the projected unit method, in respect of employees' end of service benefits payable under the UAE Labour Law. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion costs of 2% (2020: 2%) per annum. The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 1.5% (2020: 1.53%) per annum.

14 Deferred revenues

	2021 AED '000	2020 AED '000
Deferred revenues	39,846	33,833

The movement for deferred revenue is as follows:

	2021 AED '000	2020 AED '000
At 1 January	33,833	44,090
Additions	98,487	105,491
Recognised during the year	(92,474)	(115,748)
At 31 December	39,846	33,833

Deferred revenue represents advances received from customers related to the printing of schoolbooks for the Ministry of education project which are expected to be recognised within twelve months.

15 Loan from shareholder

During 2009, the Parent Company provided an interest-free loan amounting to AED 145 million to the Group repayable in equal installments over 10 years starting from 2011. The loan had been recognised initially at fair value, which was computed as the present value of all future cash flows discounted using the rate of interest applicable to other similar borrowings of the Group adjusted for the term of loan, repayment terms and other factors. The difference between the fair value computed and the face value of the loan, at initial recognition, had been recorded as a shareholder's contribution because the difference arises from the Parent Company acting in their capacity as a shareholder.

The loan was subsequently measured at amortised cost with interest accrued using the effective interest rate method, taking into account the unwinding of the difference between the funds received and the fair value at initial recognition. During the year, the Parent Company issued a resolution waiving the loan and requesting the formalization of conversion of the loan to equity effective 1 January 2020.

Further details on the loan movement are given below:

	2021 AED '000	2020 AED '000
At 1 January	-	42,106
Waiver of loan	-	(42,106)
At 31 December	-	-

16 Trade and other payables

	2021 AED '000	2020 AED '000
Accrued expenses	174,431	133,589
Trade payables	96,540	43,515
Staff accruals and provisions	11,240	11,273
Advances from customers	4,643	6,829
Other payables	5,532	2,781
	292,386	197,987

Trade and other payables are non-interest bearing and are normally settled on 60-90 days terms.

17 Related parties' balances and transactions

Related parties comprise the Ultimate Shareholder, the Parent Company, directors and key management personnel of the Group and entities controlled, joint arrangements or significantly influenced by such parties. The terms of these transactions are approved by the Group's management and are made on the terms agreed by the Board of Directors.

17 Related parties' balances and transactions (continued)

Terms and conditions of transactions with related parties

The sales to and services from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. An impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which related party operates.

Significant transactions with related parties are as follows:

	2021 AED '000	2020 AED '000
Sales of goods and merchandise	45,076	41,604

Compensation of key management personnel

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

	2021 AED '000	2020 AED '000
Board of Director's remuneration*	600	536
Compensation to key management personnel (short term)	5,579	4,589
	6,179	5,125
No. of key management personnel	4	4

* Movement of Board of Directors remuneration during the year was as follows:

	AED '000
At 1 January 2020	1,466
Charge for the year	536
Paid during the year	(800)
At 31 December 2020	1,202
Charge for the year	600
Paid during the year	(524)
At 31 December 2021	1,282

17 Related parties' balances and transactions (continued)

Balances with related parties reflected in the consolidated statement of financial position as of 31 December are as follows:

	2021 AED '000	2020 AED '000
Due from related parties		
Abu Dhabi Media Company PJSC – Parent Company	119,367	132,342
Entities under common ultimate shareholder's control		
Abu Dhabi Health Services Company PJSC (SEHA)	2,458	2,538
SEHA Healthcare Supplies Brokerage L.L.C	985	-
Al Ain Distribution Company PJSC	42	-
Al Foah Company L.L.C	33	-
Abu Dhabi Airports Company PJSC	18	-
Abu Dhabi Transmission & Despatch Company PJSC	17	-
Emirates Nuclear Energy Corporation	7	-
Emirates Water and Electricity Company	-	66
Others	-	123
	122,927	135,069
Due to related parties		
Entities under common ultimate shareholder's control		
National Health Insurance Company PJSC (Daman)	7,776	6,964
Abu Dhabi Ports Company PJSC	1,874	1,405
Abu Dhabi National Exhibition Center (ADNEC)	307	-
Al Ain Foods and Beverages PJSC	30	-
	9,987	8,369

Balances with related parties relate to multiple transactions including sale of goods at prices that would be available to third parties and are repayable within 12 months from the date of sale. These receivables are unsecured, unguaranteed, non-interest bearing, collectible in cash at net amount.

18 Revenues from contracts with customers

	2021 AED'000	2020 AED'000
Revenue recognised at a point in time:		
Commercial printing	146,759	181,015
Cards printing	115,246	58,177
Distribution revenue	73,459	52,634
Newspaper printing	12,807	15,686
	348,271	307,512

All revenues are recognised at point in time and generated from contracts with customers in the United Arab Emirates

19 Direct costs

	2021 AED '000	2020 AED '000
Raw materials	121,725	92,777
Staff costs (Note 22)	72,324	69,989
Impairment loss on property plant and equipment (Note 5)	40,386	-
Depreciation of property, plant and equipment (Note 5)	27,959	25,452
Outsourcing costs	20,960	6,172
Repairs and maintenance	11,418	7,563
Distribution cost	6,359	4,551
Water and electricity	5,431	5,177
Depreciation on right of use assets (Note 6)	4,786	5,855
Insurance expense	1,415	2,184
Courier and postage	978	149
Provision for slow moving and obsolete inventories (Note 7)	246	832
Others	4,170	12,767
	318,157	233,468

20 General and administrative expenses

	2021 AED '000	2020 AED '000
Staff costs (Note 22)	45,835	44,758
Maintenance cost	4,731	4,710
Professional fees	3,026	1,916
Depreciation of property, plant and equipment (Note 5)	2,828	2,818
Telephone, fax and internet	1,377	1,019
Foreign currency exchange loss, net	107	354
Amortisation of intangible asset	87	12
Printings and stationery	81	183
Travel and transportations	77	118
Others	4,572	1,774
	62,721	57,662

21 Selling and marketing expenses

	2021 AED '000	2020 AED '000
Promotions and advertisements	4,381	791
Staff costs (Note 22)	-	4
Others	384	223
	4,765	1,018

22 Staff costs

	2021 AED '000	2020 AED '000
Salaries and wages	92,878	89,172
Other benefits	19,153	20,437
Provision for employees' end of service benefit (Note 13)	4,718	3,708
Pension for UAE national employees	1,410	1,434
	118,159	114,751

Staff costs are allocated as follows:

Direct costs (Note 19)	72,324	69,989
General and administrative expenses (Note 20)	45,835	44,758
Selling and marketing expenses (Note 21)	-	4
	118,159	114,751

23 Finance cost and finance income

	2021 AED '000	2020 AED '000
Finance cost		
Finance cost on lease liabilities (Note 6)	618	421
Finance income		
Interest received on fixed deposits	646	868
Finance income - net	28	447

24 Other income

	2021 AED '000	2020 AED '000
Sale of wastepaper	2,156	1,176
Rental income	1,095	-
Sale of waste plates	834	663
Others	150	466
	4,235	2,305

25 Contingencies and commitments

	2021 AED '000	2020 AED '000
Letters of guarantees	5,234	9,959
Letters of credit	116,804	35,093
Capital commitments	47,625	45,517

26 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2021 AED '000	2020 AED '000
Financial assets at amortised cost		
Trade and other receivables	135,590	79,974
Due from a related party	122,927	135,069
Cash and cash equivalents	169,589	178,187
	428,106	393,230
Financial liabilities at amortised cost		
Trade and other payables	287,743	191,158
Due to related parties	9,987	8,369
Lease liabilities	15,095	11,495
	312,825	211,022

For the purpose of the above disclosure, prepayments and advances amounting to AED 19,852 thousand (2020: AED 10,862 thousand) were excluded from trade and other receivables and advance received from customers amounting to AED 4,643 thousand (2020: AED 6,829 thousand) were excluded from trade and other payables.

27 Impact assessment of COVID-19

Key sources of estimation uncertainty - COVID-19

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration and its impact on the business and overall economic impact. As a result, businesses have subsequently seen reduced customer traffic and, where governments mandated, temporary suspension of travel and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and casing pressure on credit and liquidity in the United Arab Emirates.

27 Impact assessment of COVID-19 (continued)

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these separate financial statements. Notwithstanding, these developments could impact the Group's future financial results, cash flows and financial position.

28 Subsequent events

Based on the Ultimate Parent Company resolution in 2021, the Parent Company transferred 100% of the ownership of the Group to ADQ effective from 16 September 2022. Further, the Company also updated their articles of association and reduced the share capital value to AED 282,960,000 and increased the number shares issued to 943,200 at the face value of AED 300 per share (31 December 2021: AED 317,560,000, number of issued shares 186,800 at the face value of AED 1,700 per share).

The Company has also changed its legal name to United Printing and Publishing – Sole proprietorship LLC.

Further, on 18 March 2022, The Ultimate Parent Company has approved in its meeting the appointment of the new Board of Directors effective from 25 March 2022.