KAYA

SUBSIDIARY FINANCIALS

Index of Subsidiary Financials as on March 31, 2018	
Sr. No.	**Name of Subsidiary**
1.	Kaya Middle East FZE
2.	Kaya Middle East DMCC
3.	Iris Medical Centre LLC
4.	Minal Medical Centre LLC
5.	Minal Specialised Clinic Dermatology LLC
6.	Kaya Al Beda JV
7.	KME Holdings Pte. Ltd.

Note: The Financial Accounts in respect of each subsidiary of the Company are presented as per clause (a) of fourth proviso to Section 136(1) of the Companies Act, 2013 and in accordance with General Circular No. 11/2015 issued by Ministry of Corporate Affairs dated July 21, 2015

KAYA MIDDLE EAST FZC

(previously known as KAYA MIDDLE EAST FZE)

Financial statements and independent auditor's report

Year ended 31 March 2018

KAYA MIDDLE EAST FZC
(previously known as KAYA MIDDLE EAST FZE)

Financial statements and independent auditor's report
Year ended 31 March 2018

CONTENTS	PAGE

بيه كي اف
تشارترد اكاونتنتس

PKF
Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT

THE DIRECTORS
KAYA MIDDLE EAST FZC
(previously known as KAYA MIDDLE EAST FZE)

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of **KAYA MIDDLE EAST FZC (previously known as KAYA MIDDLE EAST FZE)** (the "Company") which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 (c) in the financial statements, which states that the Company incurred a loss of AED 6,732,643 for the year ended 31 March 2018 and at that date, the Company's losses aggregated to AED 26,871,060. As stated in Note 2 (c), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

However, the ultimate parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Continued...

Tel +9716 5740888 • Fax +9716 5740808 • Email sharjah@pkfuae.com • www.pkfuae.com
P.O.Box 6207 • Golden Towers 11th Floor • Al Buhaira Corniche • Sharjah • U.A.E.

PKF
Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

Other Matter
The financial statements of Kaya Middle East FZC (previously known as Kaya Middle East FZE) for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 11 July 2017.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

Continued...

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(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 Company'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 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 Company to cease to continue as a going concern.

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

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
As stated in Note 15 to the financial statements, the net assets of the Company are below 75% of its share capital. In accordance with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995, the Directors are required to take steps to intimate the Hamriya Free Zone Authority and remedy the situation. We have been informed that the Directors will intimate the Free Zone Authorities and take steps to remedy the situation.

We further confirm that the financial statements comply with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

For **PKF**

SDPereira

S. D. PEREIRA
Partner
Auditor registration no. 552
Sharjah
United Arab Emirates
29 April 2018

KAYA MIDDLE EAST FZC

(previously known as KAYA MIDDLE EAST FZE)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	31.03.2018 AED	31.03.2017 (Restated) (Note 30) AED	01.04.2016 (Restated) (Note 30) AED
ASSETS				
Non-current assets				
Property, plant and equipment	6	**17,956,506**	14,892,047	11,826,117
Intangible assets	7	**2,235,404**	1,982,270	2,066,815
Capital advances	8	**1,803,444**	2,327,934	--
		21,995,354	19,202,251	13,892,932
Current assets				
Inventories	9	**4,771,090**	8,735,262	8,822,309
Trade and other receivables	10	**13,579,540**	12,626,086	11,126,861
Amount due from related parties	11	**33,162,847**	36,862,213	11,972,096
Cash and cash equivalents	12	**3,203,628**	6,223,667	14,241,120
Other current financial assets	13	**50,000**	50,000	50,000
		54,767,105	64,497,228	46,212,386
Total assets		**76,762,459**	83,699,479	60,105,318
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	14	**55,600,000**	55,050,000	55,050,000
Capital reserve		**4,302,793**	--	--
Share based payment reserve		**--**	274,310	122,084
Accumulated losses		**(26,871,060)**	(20,138,417)	(29,960,437)
Total shareholders' funds		**33,031,733**	35,185,893	25,211,647
Non-current liabilities				
Long-term borrowings	15	**4,704,700**	10,685,547	--
Provision for end-of-service benefits	16	**4,653,004**	4,252,312	3,629,890
		9,357,704	14,937,859	3,629,890
Current liabilities				
Bank borrowings	17	**6,048,203**	5,997,017	--
Trade and other payables	18	**27,141,284**	26,029,412	30,420,228
Amount due to a related party	11	**1,183,535**	1,549,298	843,553
		34,373,022	33,575,727	31,263,781
Total liabilities		**43,730,726**	48,513,586	34,893,671
Total equity and liabilities		**76,762,459**	83,699,479	60,105,318

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the shareholders on 22 April 2018.

For **KAYA MIDDLE EAST FZC (previously known as KAYA MIDDLE EAST FZE)**

DIRECTOR

KAYA MIDDLE EAST FZC

(previously known as KAYA MIDDLE EAST FZE)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 AED	2017 AED
Revenue	20	**98,741,669**	111,312,731
Purchase of inventories		**(15,681,208)**	(15,918,773)
Changes in inventories		**96,325**	(671,385)
Gross profit		**83,156,786**	94,722,573
Other operating income	21	**4,296**	151,369
Staff costs	22	**(50,938,475)**	(48,206,656)
Depreciation and amortisation	23	**(4,579,180)**	(4,064,852)
Other operating expenses	24	**(34,480,279)**	(32,875,464)
Interest income	25	**192,134**	124,134
Finance costs	26	**(87,925)**	(29,084)
(LOSS)/PROFIT FOR THE YEAR		**(6,732,643)**	9,822,020
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(6,732,643)**	9,822,020

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

KAYA MIDDLE EAST FZC
(previously known as KAYA MIDDLE EAST FZE)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Share based payment reserve	Capital reserve	Accumulated losses	Total
		AED	AED	AED	AED
At 1 April 2016 (as originally stated)	55,050,000	202,537	--	(30,182,315)	25,070,222
Restatement (Note 30)	--	(80,453)	--	221,878	141,425
At 1 April 2016 (as restated)	55,050,000	122,084	--	(29,960,437)	25,211,647
Movement in share-based reserve	--	152,226	--	--	152,226
Total comprehensive income for the year	--	--	--	9,822,020	9,822,020
Balance at 31 March 2017	55,050,000	274,310	--	(20,138,417)	35,185,893
Issue of share capital	550,000	--	--	--	550,000
Total comprehensive income for the year	--	--	--	(6,732,643)	(6,732,643)
Transfers (Note 14)	--	(274,310)	4,302,793	--	4,028,483
Balance at 31 March 2018	**55,600,000**	**--**	**4,302,793**	**(26,871,060)**	**33,031,733**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

KAYA MIDDLE EAST FZC
(previously known as KAYA MIDDLE EAST FZE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 AED	2017 AED
Cash flows from operating activities		
(Loss)/profit for the year	(6,732,643)	9,822,020
Adjustments for:		
Depreciation of property, plant and equipment	4,475,562	3,980,307
Amortisation of intangible assets	103,618	84,545
Movement in share-based payment reserve	(274,310)	152,226
Interest income	(192,134)	(124,134)
Finance costs	87,925	29,084
Provision for slow moving inventory written off	(1,915)	--
Provision against expired goods	300,986	--
Loss on disposal of property, plant and equipment	7,664	118,547
Gain on disposal of property, plant and equipment	(1,956)	(151,094)
Provision for end-of-service benefits	1,096,318	1,110,613
Provision for employee stock option plan	4,302,793	--
	3,171,908	15,022,114
Decrease in inventories	3,665,101	87,047
Increase in trade and other receivables	(953,454)	(1,499,225)
Increase/(decrease) in trade and other payables	1,111,871	(4,390,816)
Staff end-of-service benefits paid	(695,626)	(488,191)
Cash generated from operating activities	6,299,801	8,730,929
Interest paid	(87,925)	(29,084)
Net cash generated from operating activities	6,211,876	8,701,845
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(7,547,685)	(7,164,784)
Proceed from disposal of property, plant and equipment	1,956	151,094
Payments for intangible asset	(356,752)	--
Decrease/(increase) in capital advance	524,490	(2,327,934)
Receipts from/(payment to) a related party	3,699,366	(24,890,117)
Interest received	192,134	124,134
Net cash used in investing activities	(3,486,491)	(34,107,607)
Cash flows from financing activities		
Issue of share capital	550,000	--
Receipt of bank loan	--	16,682,564
Payment of bank loan	(5,980,847)	--
(Payment to)/receipts from a related party	(365,763)	705,745
Net cash (used in)/from financing activities	(5,796,610)	17,388,309
Net decrease in cash and cash equivalents	(3,071,225)	(8,017,453)
Cash and cash equivalents at the beginning of the year	6,223,667	14,241,120
Cash and cash equivalents at the end of the year	3,152,442	6,223,667
Cash and cash equivalents comprise		
Cash and cash equivalents (note 12)	3,203,628	6,223,667
Bank overdraft (note 17)	(51,186)	--
	3,152,442	6,223,667

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA MIDDLE EAST FZC (previously known as Kaya Middle East FZE)** (the "Company") is a Free Zone Company with limited liability registered on 25 December 2005 in Sharjah Hamriyah Free Zone, United Arab Emirates, pursuant to Emirate Decree No 6 of 1995 of H.H. Sheikh Dr. Sultan Bin Mohammed Al-Qassimi, Ruler of Sharjah. The principal place of business is PO Box: 41756, Sharjah, UAE.

During the year, effective 8 July 2017, the status of the entity was changed to a free zone company from free zone establishment consequent to the issue of additional shares and amendment to the Memorandum of Association. Consequently, the name of the Company was changed from Kaya Middle East FZE to Kaya Middle East FZC.

b) The Company is engaged in the business of providing products and services in the area of skin care treatment and aesthetics; import, export and trading in skin care machinery, consumables and products and providing related advisory services.

c) These financial statements includes assets, liabilities and the result of operations of skin care clinics operating in the United Arab Emirates, Sultanate of Oman and Kingdom of Saudi Arabia under the local sponsorship arrangements.

d) The Company is wholly owned subsidiary of KME Holdings Pte Limited (the "parent company"), a company registered in Singapore. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2017, and the requirements of the implementing rules and regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company incurred a loss of AED 6,732,643 for the year ended 31 March 2018 and at that date, the Company's losses aggregated to AED 26,871,060. These events or conditions, indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern.

However, the ultimate parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

d) **Adoption of new International Financial Reporting Standards**

Standards and interpretations effective for the current year

The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the Company are as follows:

- Amendments to IAS 7 Disclosure Initiative
  The amendments require the disclosure that enable the users to evaluate the changes in liabilities arising from financing activities, including changes arising from cash flow and non cash changes.

New and revised IFRSs in issue but not yet effective

The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)
  IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)
  The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Clarifications to IFRS 15: Revenue from Contracts with Customers (1 January 2018)

- Classification and Measurement of Share Based Payment Transactions (Amendments to IFRS 2) (1 January 2018)

- IFRS 16: Leases (1 January 2019)
  IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	3-7 years
Furniture, fixtures and office equipment	2-7 years
Motor vehicles	5 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 7 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

Intangible assets with indefinite useful lives are not amortised as the Company does not identify any foreseeable limit on the benefits embodied with such rights. Consequently, these are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired clinics as of the date of the acquisition. Goodwill on acquisitions of clinics is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

c) **Impairment of tangible and intangible assets excluding goodwill**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling price less any estimated cost of completion and disposal.

Finished goods are stated at lower of cost and net realizable value. Cost comprises of direct materials, labour and other attributable overheads.

e) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

f) **Share based payments**

Incentives in the form of share based payment compensation benefits are provided to executives under an employee stock option scheme as approved by the Directors.

Options are fair valued at the grant date in accordance with IFRS 2: Share Based Payments by approved valuers. The cost of equity settled transactions is recognised together with the corresponding increase in equity on a straight-line basis over the period in which the performance conditions are fulfilled, ending on the date the employee becomes fully entitled for the award ("vesting date").

g) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the Company has delivered the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the risks and rewards have been transferred to the customer and either the customer has accepted the product in accordance with the sales contract, the acceptance provision has lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

Sale of services

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the services have been provided to the customer and the sessions under the package are utilised. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

Interest income

Interest income is recognised on accrual basis using the effective interest method, when it is probable that the economic benefits will flow to the Company and the interest can be measured reliably.

h) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

Leases under which substantially all the risks and rewards of ownership pass to the Company are treated as finance leases and capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are allocated to the finance charge so as to achieve a constant rate of return on the outstanding balance, and charged to profit or loss and to the repayment of the lease liability.

Payments made for entering into operating leases for land and buildings that fall within the classification of investment property are treated as if they were finance leases and accounted as investment properties.

i) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

j) **Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

k) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax period/s and deposit the same within the prescribed due dates of filing VAT return and tax payment.

l) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Trade and other receivables

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Related party receivables

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue balances is recognised as it accrues.

Other current financial assets

Other current financial assets which comprise deposits under encumbrance and deposits with a maturity date of more than three months from the date of deposit are classified as loans and receivables and stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value net of temporary bank overdrafts.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Interest bearing liabilities

Interest-bearing liabilities are initially recognized at fair value, net of transaction costs incurred. Subsequently these are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Equity
Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

Impairment of financial assets
All financial assets are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

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

m) **Fair value measurement**
The Company discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment
At each reporting date, management conducts an assessment of property, plant, equipment, intangible assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. **KEY SOURCES OF ESTIMATION UNCERTAINTY**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that 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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 5,074,654 (previous year AED 8,739,755) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the Company either from third parties, (see note 10) or from related parties (see note 11) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment, intangible assets, and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

In calculating the net present value of the future cash flows, the management has made certain estimates. The key assumptions on which the management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management projections have been prepared on the basis of strategic plans, knowledge of market and management's view of achievable growth in the market share over a long-term period of six years.
- The discount rate applied to cash flows are based on the Company's weighted average cost of capital with a risk premium reflecting the relative risks in the market in which the Company operates.
- Year on year growth rate assumption are based on a conservative view of the long-term rate of growth.
- No capital expenditure is expected to be incurred on existing clinics.

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 4,653,004 (previous year AED 4,252,312), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress[a]	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Total
	AED	AED	AED	AED	AED
Cost					
At 1 April 2016	501,159	24,065,722	16,986,926	196,403	41,750,210
Additions	204,996	3,786,923	3,141,476	31,389	7,164,784
Disposals	--	(349,855)	(6,180)	(24,475)	(380,510)
Transfers	(324,589)	48,700	244,303	31,586	--
At 31 March 2017	381,566	27,551,490	20,366,525	234,903	48,534,484
Additions	486,769	3,485,798	3,575,118	--	7,547,685
Disposals	--	(89,301)	(1,182,283)	--	(1,271,584)
Transfers	(557,812)	--	557,812	--	--
At 31 March 2018	**310,523**	**30,947,987**	**23,317,172**	**234,903**	**54,810,585**
Accumulated depreciation and impairment losses					
At 1 April 2016	--	14,503,260	15,352,363	68,470	29,924,093
Depreciation	--	2,877,143	1,057,017	46,147	3,980,307
Adjustment relating to disposal	--	(231,308)	(6,180)	(24,475)	(261,963)
As at 31 March 2017	--	17,149,095	16,403,200	90,142	33,642,437
Depreciation	--	2,904,085	1,524,004	47,473	4,475,562
Adjustment relating to disposal	--	(910,604)	(353,316)	--	(1,263,920)
At 31 March 2018	**--**	**19,142,576**	**17,573,888**	**137,615**	**36,854,079**
Carrying amount					
At 1 April 2016	501,159	9,562,462	1,634,563	127,933	11,826,117
At 31 March 2017	381,566	10,402,395	3,963,325	144,761	14,892,047
At 31 March 2018	**310,523**	**11,805,411**	**5,743,284**	**97,288**	**17,956,506**

(a) Capital work-in-progress, at the year end, represents amount paid for renovation of clinics in Ras Al Khaimah, Karama and Abu Dhabi Mall.

7. INTANGIBLE ASSETS

	Computer software AED	Goodwill[(a)] AED	Total AED
Cost			
As at 1 April 2016 and 31 March 2017	591,639	1,496,312	2,087,951
Additions	356,752	--	356,752
At 31 March 2018	**948,391**	**1,496,312**	**2,444,703**
Accumulated amortisation			
At 1 April 2016	21,136	--	21,136
Amortisation	84,545	--	84,545
At 31 March 2017	105,681	--	105,681
Amortisation	103,618	--	103,618
At 31 March 2018	**209,299**	**--**	**209,299**
Carrying amount			
At 1 April 2016	570,503	1,496,312	2,066,815
At 31 March 2017	485,958	1,496,312	1,982,270
At 31 March 2018	**739,092**	**1,496,312**	**2,235,404**

(a) Goodwill represents the excess consideration transferred over and above the fair values of the identifiable net assets acquired on acquisition of clinic in Fujairah, UAE.

8. CAPITAL ADVANCE

This represents advances paid against development of new clinics and refurbishment of few existing clinics.

9. INVENTORIES

	2018 AED	2017 AED
Consumables	**5,074,654**	8,739,755
Less: provision for slow moving and expired inventories	**(303,564)**	(4,493)
	4,771,090	8,735,262

A reconciliation of the movements in the provision for slow moving and expiring inventories is as follows:

	2018 AED	2017 AED
Opening balance	**4,493**	--
Provisions made during the year	**300,986**	4,493
Inventories written off	**(1,915)**	--
Closing balance	**303,564**	4,493

	2018 AED	2017 AED
10. TRADE AND OTHER RECEIVABLES		
Trade receivables	**610,602**	517,960
Advances	**4,308,088**	4,880,129
Prepayments	**6,131,761**	4,950,332
Deposits	**2,529,089**	2,277,665
	13,579,540	12,626,086

At the reporting date, there are no trade receivables that are not past due but not impaired.

At the reporting date, there are no trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovering.

At the reporting date, the entire trade receivables are not past due and not impaired.

The Company does not hold any collateral against trade receivable.

11. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise parent and ultimate parent company, companies under common ownership and/or common management control, shareholders, directors and key management personnel.

At the reporting date, significant balances with related parties were as follows:

	Ultimate parent company AED	Parent company AED	Fellow subsidiaries AED	Key management personnel AED	Total 2018 AED	Total 2017 AED
Included in trade and other receivables	--	--	--	133,825	**133,825**	
	--	--	--	--		--
Amount due from related parties	--	2,941,767	30,221,080	--	**33,162,847**	
	--	2,936,000	33,926,213	--		36,862,213
Amount due to a related party	1,183,535	--	--	--	**1,183,535**	
	1,549,298	--	--	--		1,549,298

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 27.

Significant transactions with related parties during the year were as follows:

	Ultimate parent company AED	Fellow subsidiaries AED	Key management personnel AED	Total 2018 AED	Total 2017 AED
Revenue	--	329,873	--	**329,873**	
	--	619,901	--		619,901
Recharge of expenses	862,929	--	--	**862,929**	
	722,677	--	--		722,677
Staff salaries	--	--	2,593,428	**2,593,428**	
	--	--	2,593,428		2,593,428
End of service benefits	--	--	59,423	**59,423**	
	--	--	18,438		18,438
Employee ESOP plan	--	--	4,810,690	**4,810,690**	
	--	--	152,041		152,041

The Company also receives funds from/provides funds to related parties as working capital facilities, a part of which is at fixed rate of interest.

	2018 AED	2017 AED
12. CASH AND CASH EQUIVALENTS		
Cash on hand	**309,948**	461,888
Current accounts	**2,893,680**	5,761,779
	3,203,628	6,223,667
13. OTHER CURRENT FINANCIAL ASSETS		
Restricted cash margin	**50,000**	50,000

Held by bank as security against letter of credit issued on behalf of the company in the normal course of business (refer note 29).

14. SHARE CAPITAL

Issued and paid up		
55,600 shares of AED 1,000 each (previous year 367 shares of AED 150,000 each)	**55,600,000**	55,050,000

The shareholders at 31 March 2018 and 31 March 2017 and their interest in share capital of the Company were as follows:

Name of the shareholders	**As of 31.03.2018**		As of 31.03.2017	
	No. of shares	**AED**	No. of shares	AED
KME Holding Pte Ltd.	**55,050**	**55,050,000**	367	55,050,000
Mr. Debashish Neogi	**550**	**550,000**	--	--
	55,600	**55,600,000**	367	55,050,000

The Company had granted Stock Options to an eligible employee pursuant to the "Kaya Middle East FZE Employees Stock Option Scheme 2014" (referred as 'KME ESOP'). One stock option is represented by one equity share of Kaya Middle East FZE. The vesting date was 30 April 2017 and the exercise period was of six months from the vesting date.

In lieu of this, the Company, in its Board meeting dated 10 May 2017 modified the Scheme for grant of stock option to the eligible employee of Kaya FZE. As per the modified scheme, 550 options were granted which were to be vested on 11 May 2017 and the exercise date was six months from the vesting date. These options were exercised in July 2017.

Consequent to grant of the option on the vesting date, the face value of each share was changed from AED 150,000 per share to AED 1,000 per share and accordingly the number of shares has undergone a revision. The legal status of the entity changed from Free Zone Establishment to a Free Zone Company.

The excess of the fair value of the shares over its face value have been credited to capital reserve.

Upon exercise of the option, the Company, the parent company or any group company shall buy the shares so issued, at a price based on a predetermined valuation methodology.

		2018 AED	2017 AED
15.	**LONG-TERM BORROWINGS**		
	Loan from Standard Chartered Bank	**10,701,717**	16,682,564
	Less: Current portion (note 17)	**(5,997,017)**	(5,997,017)
		4,704,700	10,685,547

Bank borrowings include loan of AED 543,333 taken in the name of a related party, Kaya Middle East DMCC. However, since the loan is utilised by the Company, the entire amount is booked in the books of the Company.

16.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	At 1 April	**4,252,312**	3,629,890
	Provision for the year	**1,096,318**	1,110,613
	Paid during the year	**(695,626)**	(488,191)
	At 31 March	**4,653,004**	4,252,312

17.	**SHORT-TERM BORROWINGS**		
	Bank overdraft	**51,186**	--
	Current portion of long-term loans (note 15)	**5,997,017**	5,997,017
		6,048,203	5,997,017

Bank loan carries interest at LIBOR plus 2.75%. The loan is repayable in twelve quarterly instalments of AED 1.5 million along with interest commencing from 29 November 2016.

Bank facilities are obtained jointly with related party and are secured by:

- Assignment of credit card receivables.
- Pledge and assignment over bank accounts and acknowledgement of assignment from the Company.
- Corporate guarantees by Kaya Limited.
- Mortgage over office owned by a related party located in Mazaya Business Avenue.

The bank facilities and loans are subject to certain financial covenants including debt to net worth ratio, debt coverage ratio and debt service coverage ratio.

A maturity analysis of total bank borrowings is as follows:

	2018 AED	2017 AED
1 – 3 months	1,499,254	1,499,254
3 months – 1 year	4,497,763	4,497,763
Presented as current liabilities (note 17)	5,997,017	5,997,017
1 year – 5 years	4,704,700	10,685,547
Total	10,701,717	16,682,564

18. TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	6,865,734	7,673,516
Capital creditors	1,406,206	2,203,089
Advance received from customers	11,945,687	10,178,827
Accruals	3,985,110	3,379,436
Other payables	2,938,547	2,594,544
	27,141,284	26,029,412

19. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position, together with amounts due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per the provision of Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995.

As the net assets of the company are below 75% of its share capital, the Directors are required to take steps to intimate the Hamriya Free Zone Authorities, in accordance with the Implementing Rules and Regulations issued by the Hamriya Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995. The Directors will intimate the Free Zone Authorities and initiate steps to remedy the situation.

Funds generated from internal accruals together with funds received from related parties net of funds provided to a related party are retained in the business to limit bank borrowings within covenants and, according to the business requirements and to maintain capital at desired levels. The nature of such covenants are given in note 17.

		2018 AED	2017 AED
20.	**REVENUE**		
	Product sales	9,398,132	11,826,801
	Service sales	89,343,537	99,485,930
		98,741,669	111,312,731
21.	**OTHER OPERATING INCOME**		
	Profit on sale of property, plant and equipment.	1,956	151,094
	Other miscellaneous income	2,340	275
		4,296	151,369
22.	**STAFF COSTS**		
	Staff salaries and benefits	45,031,467	46,944,002
	Staff end-of-service benefits	1,096,318	1,110,613
	Employee Stock Option Plan (ESOP) expenses	4,810,690	152,041
		50,938,475	48,206,656
23.	**DEPRECIATION AND AMORTISATION**		
	Depreciation of property, plant and equipment	4,475,562	3,980,307
	Amortisation of intangible assets	103,618	84,545
		4,579,180	4,064,852
24.	**OTHER OPERATING EXPENSES**		
	Loss on sale of property, plant and equipment	7,664	118,547
	Operating lease expenses	9,885,280	9,356,484
	Electricity and water expenses	714,301	522,682
	Repairs and maintenance	2,950,873	2,503,759
	Advertisement	5,983,773	6,366,015
	License fees	1,096,026	1,006,499
	Communication expenses	1,201,382	1,167,498
	Travelling expenses	3,189,267	3,168,555
	Bank charges	1,722,372	1,740,329
	Legal and professional charges	6,168,204	5,263,945
	Other expenses	1,561,137	1,661,151
		34,480,279	32,875,464

		2018	2017
		AED	AED
25.	**INTEREST INCOME**		
	On bank deposits	**186,834**	104,904
	On staff loans	**5,300**	19,230
		192,134	124,134
26.	**FINANCE COSTS**		
	On bank loans and overdrafts	**87,925**	29,084

27. **FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At amortised cost	
	2018	2017	2018	2017
	AED	AED	AED	AED
Trade and other receivables	**3,139,691**	2,795,625	--	--
Amounts due from related parties	**33,162,847**	36,862,213	--	--
Cash and cash equivalents	**3,203,628**	6,223,667	--	--
Other current financial assets	**50,000**	50,000	--	--
Short-term borrowings	--	--	**6,048,203**	5,997,017
Trade and other payables	--	--	**19,804,022**	18,657,721
Amount due to a related party	--	--	**1,183,535**	1,549,298
Long-term borrowings	--	--	**4,704,700**	10,685,547
	39,556,166	45,931,505	**31,740,460**	36,889,583

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

The Company also buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk
Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amounts due from related parties.

The Company's bank accounts are placed with high credit quality financial institutions.

Amount due from related parties and trade and other receivables are stated net of the allowance for doubtful recoveries.

At the reporting date, there is no significant concentration of credit risk from trade receivables (previous year Nil).

At the reporting date 100% of amount due from related parties are due from two related parties (previous year 100% from two related parties).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Company's customers are from diverse industries.

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
All bank borrowings are subject to floating interest rates at levels generally obtained in the UAE or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 107,017 higher or lower (previous year AED 166,826) resulting in equity being higher or lower by AED 107,017 (previous year AED 166,826).

Fair values
The 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 values of the Company's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

		2018 AED	2017 AED
28.	**OPERATING LEASE COMMITMENTS**		
	Not later than one year	**4,809,415**	8,504,930
	Between one and five years.	**9,778,205**	11,853,232
		14,587,620	20,358,162

	2018 AED	2017 AED
29. CONTINGENT LIABILITIES		
Unutilized balances of commercial letters of credit (Note 13)	**50,000**	50,000

The Company is a party to various legal cases relating to employment contracts, clinic rental agreements and compliance violations. However, in the opinion of management, no liability exists towards these claims.

30. COMPARATIVE INFORMATION

During the year, the management identified certain errors in its accounting for Employees Stock Option Scheme. As required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, the Company has rectified the errors by retrospectively restating the opening balances.

The Company also undertook an exercise to realign the accounting policies with that of the ultimate parent company and accordingly the revised accounting policies were retrospectively applied by restating the opening retained.

The Company has prepared the opening statement of financial position as at 1 April 2016 and all comparative figures for the year ended 31 March 2017 have been restated.

The following reconciliations provide a quantification effect of change in accounting policies and its impact on elements of statement of financial position:

	As at 31 March 2017			As at 1 April 2016		
	Previously stated balance Debit/(credit) AED	Adjustments Debit/ (credit) AED	Restated balance Debit/ (credit) AED	Previously stated balance Debit/(credit) AED	Adjustments Debit/ (credit) AED	Restated balance Debit/ (credit) AED
Accumulated losses	20,552,192	(383,775)	20,138,417	30,182,315	(221,878)	29,960,437
Share based payment reserve	(354,763)	80,453	274,310	(202,537)	80,453	(122,084)
Trade and other payables	(26,285,084)	255,672	(26,029,412)	(30,573,479)	153,251	(30,420,228)
Long-term liabilities	(10,744,033)	58,486	(10,685,547)	--	--	--
Trade and other receivables	12,636,922	(10,836)	12,626,086	11,138,687	(11,826)	11,126,861

For **KAYA MIDDLE EAST FZC (previously known as KAYA MIDDLE EAST FZE)**

DIRECTOR

KAYA MIDDLE EAST DMCC

Financial statements and independent auditor's report
Year ended 31 March 2018

KAYA MIDDLE EAST DMCC

Financial statements and independent auditor's report
Year ended 31 March 2018

CONTENTS	PAGE

INDEPENDENT AUDITOR'S REPORT

To the shareholders of KAYA MIDDLE EAST DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KAYA MIDDLE EAST DMCC** (the "Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2(a) to the financial statements which states that these are the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries are presented separately.

Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended 31 March 2017, were audited by another auditor who expressed a qualified opinion on those statements account of non-presentation of consolidated financial statements on 25 April 2017.

continued…

Level 18, Rolex Tower, Sheikh Zayed Road, P.O.Box 13904, Dubai, UAE.
Tel +9714 3888 900, Fax +9714 355 2070, Email dubai@pkfuae.com, www.pkfuae.com

INDEPENDENT AUDITOR'S REPORT
(continued)

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

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

continued…

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 Company'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 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 Company to cease to continue as a going concern.

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

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

We further confirm that the financial statements comply with provisions of Implementing Regulation No. 1/03 issued by the Dubai Multi Commodities Centre Authority.

PKF

PKF
Dubai
United Arab Emirates
26 April 2018

KAYA MIDDLE EAST DMCC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 AED	2017 AED
Assets			
Non-current assets			
Property, plant and equipment	6	**3,837,298**	4,180,376
Investments	7	**26,928,157**	26,928,157
		30,765,455	31,108,533
Current assets			
Other receivables	8	**66,669**	69,493
Amounts due from related parties	9	**2,560,594**	2,062,979
Cash and cash equivalents	10	**4,664,212**	47,050
		7,291,475	2,179,522
Total assets		**38,056,930**	33,288,055
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	11	**50,000**	50,000
Retained earnings/(accumulated losses)		**267,756**	(1,078,480)
Total shareholder's funds		**317,756**	(1,028,480)
Non-current liabilities			
Long-term borrowings	12	**2,936,000**	--
		2,936,000	--
Current liabilities			
Short-term borrowings	13	**734,000**	
Accruals	14	**78,640**	99,101
Amounts due to related parties	9	**33,990,534**	34,217,434
		34,803,174	34,316,535
Total liabilities		**37,739,174**	34,316,535
Total equity and liabilities		**38,056,930**	33,288,055

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

Authorised for issue by the directors on 19 April 2018.

For **KAYA MIDDLE EAST DMCC**

DIRECTORS

KAYA MIDDLE EAST DMCC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 AED	2017 AED
Dividend income		**2,174,653**	670,878
Other operating income	16	**539,042**	227,486
Depreciation		**(343,078)**	(261,103)
Other operating expenses		**(255,465)**	(668,268)
Finance costs	17	**(768,916)**	(212,425)
PROFIT/(LOSS) FOR THE YEAR		**1,346,236**	(243,432)
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,346,236**	(243,432)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

KAYA MIDDLE EAST DMCC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital AED	(Accumulated losses)/retained earnings AED	Total AED
Balance at 1 April 2016	50,000	(835,048)	(785,048)
Total comprehensive income for the year	--	(243,432)	(243,432)
Balance at 31 March 201 7	50,000	(1,078,480)	(1,028,480)
Total comprehensive income for the year	--	1,346,236	1,346,236
Balance at 31 March 2018	**50,000**	**267,756**	**317,756**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

KAYA MIDDLE EAST DMCC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 AED	2017 AED
Cash flows from operating activities		
Profit/(loss) for the year	**1,346,236**	(243,432)
Adjustments for:		
Depreciation of property, plant and equipment	**343,078**	261,103
Finance costs	**768,916**	212,425
Dividend income	**(2,174,653)**	(670,878)
	283,577	(440,782)
Decrease/(increase) in other receivables	**2,824**	(36,493)
Decrease in trade and other payables	**(20,461)**	(139,202)
Cash generated from/(used in) operating activities	**265,940**	(616,477)
Interest paid	**(768,916)**	(212,425)
Net cash used in operating activities	**(502,976)**	(828,902)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	**--**	(93,651)
Payment to related parties	**(497,615)**	(1,950,069)
Acquisition of investments in subsidiaries	**--**	(22,500,000)
Acquisition of investment in joint venture	**--**	(309,221)
Dividend received	**2,174,653**	670,878
Net cash from/(used in) investing activities	**1,677,038**	(24,182,063)
Cash flows from financing activities		
Receipts from bank loan	**3,670,000**	--
(Payment to)/receipt from related parties	**(226,900)**	25,008,365
Net cash from financing activities	**3,443,100**	25,008,365
Net increase/(decrease) in cash and cash equivalents	**4,617,162**	(2,600)
Cash and cash equivalents at the beginning of the year	**47,050**	49,650
Cash and cash equivalents at the end of the year (note 10)	**4,664,212**	47,050

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA MIDDLE EAST DMCC** (the "Company") is a limited liability company registered in Dubai, United Arab Emirates on 9 May 2015 under the rules and regulations issued by Dubai Multi Commodities Centre Authority. The registered office of the company is Unit no. 1107, Mazaya Business Avenue BB1, Jumeirah Lake Towers, Dubai, UAE.

b) The company is engaged in the business of investing in commercial enterprises and management.

c) The company is wholly owned subsidiary of Kaya Limited, a company registered in India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2017, and the requirements of laws and regulation of Dubai Multi Commodities Centre Authority.

These financial statements are the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries, which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements, are presented separately.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**

Standards and interpretations effective for the current year

The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the Company are as follows:

- Amendments to IAS 7 Disclosure Initiative
  The amendments require the disclosure that enable the users to evaluate the changes in liabilities arising from financing activities, including changes arising from cash flow and non cash changes.

New and revised IFRSs in issue but not yet effective
The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)
  IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an Company's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)
  The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Clarifications to IFRS 15: Revenue from Contracts with Customers (1 January 2018)

- IFRS 16: Leases (1 January 2019)
  IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows.

Office premises	30 years
Furniture, fixtures and office equipment	7 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

b) **Investment in subsidiaries**

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries are accounted for at cost less impairment losses, if any.

c) **Investments in joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint venture

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

The investment in joint venture is accounted for at cost less impairment losses, if any.

d) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Dividend income

Dividend income is accounted when the right to receive dividend is established.

e) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

f) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

g) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Other receivables

Other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Related party receivables

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise bank current accounts.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Interest-bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequently these are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

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

h) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Investments in subsidiaries

Management considers that it has de-facto control over Iris Medical Centre LLC, Minal Medical Centre LLC and Minal Specialised Clinic Dermatology LLC even though it holds 34%, 24% and 24% of the legal capital respectively. The Company is a controlling shareholder as the 51% shares held by another shareholder is assigned to the Company. Effectively, the Company holds 85%, 75% and 75% of the beneficial interest respectively in these subsidiaries.

Investments in joint arrangements

Management considers that it has joint control over Al Beda Medical Services KSCC wherein it holds 49% of the voting rights. Based on the contractual arrangements, unanimous consent is required from all the parties to the arrangement for all relevant activities.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that 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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the Company either from third parties, (see note 8) or from related parties (see note 9) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment, and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

In calculating the net present value of the future cash flows, the management has made certain estimates. The key assumptions on which the management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management projections have been prepared on the basis of strategic plans, knowledge of market and management's view of achievable growth in the market share over a long-term period of six years.
- The discount rate applied to cash flows are based on the Company's weighted average cost of capital with a risk premium reflecting the relative risks in the market in which the Company operates.
- Year on year growth rate assumption are based on a conservative view of the long-term rate of growth.
- No additional investments are expected to be made in the subsidiaries.

6. PROPERTY, PLANT AND EQUIPMENT

	Office premises AED	Furniture, fixtures and office equipment AED	Total AED
Cost			
At 1 April 2016	3,098,903	1,373,735	4,472,638
Additions	--	93,651	93,651
At 31 March 2017 and 31 March 2018	**3,098,903**	**1,467,386**	**4,566,289**
Accumulated Depreciation			
At 1 April 2016	43,040	81,770	124,810
Depreciation	103,297	157,806	261,103
At 31 March 2017	146,337	239,576	385,913
Depreciation	103,503	239,575	343,078
At 31 March 2018	**249,840**	**479,151**	**728,991**
Carrying amount			
At 1 April 2016	3,055,863	1,291,965	4,347,828
At 31 March 2017	2,952,566	1,227,810	4,180,376
At 31 March 2018	**2,849,063**	**988,235**	**3,837,298**

7. INVESTMENTS

	2018 AED	2017 AED
Interest in share capital at cost in:		
i) **Investments in subsidiaries**		
– Minal Medical Centre LLC. (75% share in the capital of the company) [(a)]	**11,250,000**	11,250,000
– Minal Specialised Clinic Dermatology LLC. (75% share in the capital of the company)	**11,250,000**	11,250,000
– Iris Medical Centre LLC. (85% share in the capital of the company)	**4,118,936**	4,118,936
ii) **Investment in Joint Venture**		
– Al Beda Medical Services KSCC. (49% share in the capital of the company)	**309,221**	309,221
	26,928,157	26,928,157

The nature of investments in subsidiaries held by the Company are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Registered proportion (%) of ownership interest	
			2018	2017
Minal Medical Centre LLC[a]	Provide clinical and dermatological services	UAE	24	24
Minal Specialised Clinic Dermatology LLC[a]	Provide clinical and dermatological services	UAE	24	24
Iris Medical Centre LLC[b]	Dental, plastic surgery, dermatology and venerology clinics services	UAE	34	34

a) Although the Company holds 24% of the share capital in Minal Medical Centre LLC and Minal Specialised Clinic Dermatology LLC, it is able to exercise control over its financial and operating policies as the beneficial interest of the 51% equity ownership held by the other shareholder is assigned to the Company. Effectively the Company owns 75% beneficial interest in each of these subsidiaries.

b) Although the Company holds 34% of the share capital in Iris Medical Centre LLC, it is able to exercise control over its financial and operating policies as the beneficial interest of the 51% equity ownership held by the other shareholder is assigned to the Company. Effectively the Company owns 85% beneficial interest in this subsidiary.

The nature of investments in joint ventures is as follows:

Name of joint venture	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2018	2017
Al Beda Medical Services KSCC [a]	Establishing managing and operating a skin clinic	Kuwait	49	49

a) Although the Company holds 49% interest in the joint venture, the venturers have agreed that the they shall contribute profits equally and that the clinic shall be managed by four directors, two appointed by each of the venture. Hence unanimous consent of both the venturers is required for all relevant activities.

	2018 AED	2017 AED
8. OTHER RECEIVABLES		
Prepayments	33,669	--
Deposits	33,000	33,000
Other receivables	--	36,493
	66,669	69,493

9. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the ultimate parent company, the parent company, subsidiaries, fellow subsidiaries and key management personnel and relatives.

At the reporting date, significant balances with related parties were as follows:

	Parent company AED	Companies under common ownership and/or management control AED	Subsidiaries and Joint venture AED	Total 2018 AED	Total 2017 AED
Investments	--	--	26,928,157	26,928,157	
	--	--	26,928,157		26,928,157
Amount due from related parties	--	--	2,560,594	2,560,594	
	--	--	2,062,979		2,062,979
Amounts due to related parties	3,052,999	30,221,080	716,455	33,990,534	
	291,221	33,926,213	--		34,217,434

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 7 and 18.

Significant transactions with related parties during the year were as follows:

	Ultimate parent company AED	Subsidiaries and joint venture AED	Companies under common ownership and/or management control AED	Total 2018 AED	Total 2017 AED
Dividend income	--	2,174,653	--	2,174,653	
	--	670,878	--		670,878
Other operating income	--	492,568	--	492,568	
	--	227,486	--		227,486
Interest expense		--	81,499	81,499	
	--	--	--		--
Recharge of expenses	146,905			146,905	
	225,205				225,205

The Company also provides funds to/receives funds from related parties as working capital facilities, a part of which is at fixed rate of interest and balance is free of interest.

		2018 AED	2017 AED
10.	**CASH AND CASH EQUIVALENTS**		
	Bank balances in current accounts	**4,664,212**	47,050
11.	**SHARE CAPITAL**		
	Paid up:		
	50 shares of AED 1,000 each	**50,000**	50,000

The shareholders at 31 March 2018 and at 31 March 2017 and their interests as at that date in the share capital of the company were as follows:

Name	No. of shares	AED
Kaya Limited, India	50	50,000
	50	**50,000**

		2018 AED	2017 AED
12.	**LONG-TERM BORROWINGS**		
	Loan from Standard Chartered Bank	**3,670,000**	--
	Less: Current portion (note 13)	**(734,000)**	--
		2,936,000	--
13.	**SHORT-TERM BORROWINGS**		
	Current portion of long-term loans (note 12)	**734,000**	--

Bank loan carries interest at LIBOR plus 3.75%. The loan is repayable in twenty quarterly instalments of AED 183,500 commencing from 15th month of first drawdown.

Bank facilities and loans are obtained jointly with related party and are secured by:

- Pledge and assignment over bank accounts and acknowledgement of assignment from the Company.
- Assignment of credit card receivables
- Corporate guarantees by Kaya Limited
- Mortgage over office located in Mazaya Business Avenue.

The bank facilities and loans are subject to certain financial covenants including debt to net worth ratio, debt coverage ratio and debt service coverage ratio.

A maturity analysis of total bank borrowings is as follows:

	2018 AED	2017 AED
1 – 3 months	**183,500**	--
3 months – 1 year	**550,500**	--
Presented as current liabilities (note 13)	**734,000**	--
1 year – 5 years (note 12)	**2,936,000**	--
Total	**3,670,000**	--

14. **ACCRUALS AND OTHER PAYABLES**

Creditors for capital goods	**3,178**	--
Accruals	**75,462**	99,101
	78,640	99,101

The entire trade and other payables are due for payment in one year.

15. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with amounts due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is exposed to externally imposed capital requirements as per bank facilities availed.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels. The nature of such covenants is set out in note 13.

16. **OTHER OPERATING INCOME**

Management fees	**301,650**	227,486
Other miscellaneous income	**236,460**	--
Exchange gain	**752**	--
	539,402	227,486

17. **FINANCE COST**

Interest on amount due to related parties	**81,499**	--
Interest on bank loan	**687,417**	212,425
	768,916	212,425

18. FINANCIAL INSTRUMENTS

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At amortised cost	
	2018	2017	**2018**	2017
	AED	AED	**AED**	AED
Other receivables	**33,000**	69,493	--	--
Amounts due from related parties	**2,560,594**	2,062,979	--	--
Cash and cash equivalents	**4,664,212**	47,050	--	--
Current bank borrowings	**734,000**	--	**734,000**	--
Trade and other payables	--	--	**78,640**	99,101
Amounts due to related parties	--	--	**33,990,534**	34,217,434
Non-current liabilities			**2,936,000**	--
	7,991,806	2,179,522	**37,739,174**	34,316,535

Management of risk

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks and fair value interest rate risk)

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, other receivables and amount due from related parties.

The Company's bank accounts are placed with high credit quality financial institutions.

Amounts due from related parties and other receivables are stated net of the allowance for doubtful recoveries.

At the reporting date 100% of amount due from related parties is due from a related party (previous year 91% of amount due from related parties was due from a related party.).

At the reporting date, there is no significant concentration of credit risk from customers outside the industry in which the Company operates.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

All borrowings are subject to floating interest rates at levels generally obtained in the UAE or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 36,700 higher or lower (previous year AED Nil) resulting in equity being higher or lower by AED 36,700 (previous year AED Nil).

Fair values

The 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 values of the Company's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

For **KAYA MIDDLE EAST DMCC**

DIRECTORS

IRIS MEDICAL CENTER LLC

Financial statements and reports
Year ended 31 March 2018

IRIS MEDICAL CENTER LLC

Financial statements and reports
Year ended 31 March 2018

CONTENTS **PAGE**

IRIS MEDICAL CENTER LLC

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The manager submits his report and financial statements for the year ended 31 March 2018. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends

The loss for the year amounted to AED 33,493. The manager does not recommend any dividends for the year ended 31 March 2018.

Review of the business

The Company's principal activity during the year was to provide dental, plastic surgery, dermatology and venerology clinics services.

Legal and regulatory requirements

The Company has complied with the applicable provisions of the UAE Federal Law No. (2) of 2015.

Events since the end of the year

There are no significant events since the end of the year.

Shareholders and their interests

The shareholders at 31 March 2018 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Mr. Abdulla Khalil Mohamed Samea Al Motawa	51	76,500
Kaya Middle East DMCC	34	51,000
Mr. Yaseer Ekram Moustafa Elassuity	15	22,500
	100	**150,000**

Independent auditor

PKF were appointed as independent auditor for the year ended 31 March 2018 and it is proposed that they be re-appointed for the year ending 31 March 2019.

Manager
19 April 2018

INDEPENDENT AUDITOR'S REPORT

To the shareholders of IRIS MEDICAL CENTER LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IRIS MEDICAL CENTER LLC** (the "Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2017.

Other Information

Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (2) of 2015, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

continued...

Level 18, Rolex Tower, Sheikh Zayed Road, P.O.Box 13094, Dubai, UAE.
Tel +9714 3888 900, Fax +9714 355 2070, Email dubai@pkfuae.com, www.pkfuae.com

INDEPENDENT AUDITOR'S REPORT
(continued)

Responsibilities of Management and Those Charged With Governance for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.

continued...

PKF
Accountants & business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

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

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
As required by the UAE Federal Law No. (2) of 2015, we report that:

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

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

iii) the Company has maintained proper books of account;

iv) the financial information included in the Manager's report is consistent with the books of account of the Company;

v) the Company has not purchased or invested in any shares during the financial year ended 31 March 2018.

vi) note 10 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) the Company has not made any social contributions during the financial year ended 31 March 2018; and

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 Company has contravened during the financial year ended 31 March 2018 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2018 and there are no penalties imposed on the Company.

PKF

PKF
Dubai
United Arab Emirates
26 April 2018

IRIS MEDICAL CENTER LLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 AED	2017 AED
Assets			
Non-current assets			
Property, plant and equipment	6	**1,039,650**	1,338,491
Capital advance	7	**48,636**	--
		1,088,286	1,338,491
Current assets			
Inventories	8	**154,408**	359,308
Other receivables	9	**380,709**	795,387
Amount due from a related party	10	**666,455**	--
Cash and cash equivalents	11	**271,682**	75,792
		1,473,254	1,230,487
Total assets		**2,561,540**	2,568,978
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	12	**150,000**	150,000
Statutory reserve		**75,000**	75,000
Retained earnings		**1,724,130**	1,757,624
Total shareholders' funds		**1,949,130**	1,982,624
Non-current liabilities			
Provision for staff end-of-service benefits	13	**18,127**	27,278
Current liabilities			
Trade and other payables	14	**594,283**	432,151
Amount due to a related party	10	**--**	126,925
		594,283	559,076
Total liabilities		**612,410**	586,354
Total equity and liabilities		**2,561,540**	2,568,978

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

Authorised for issue by the manager on 19 April 2018.

For **IRIS MEDICAL CENTER LLC**

MANAGER

IRIS MEDICAL CENTER LLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 AED	2017 AED
Revenue	16	**3,062,327**	4,205,132
Cost of material consumed		**(819,249)**	(615,068)
Changes in inventories		**(1,317)**	--
Gross profit		**2,241,761**	3,590,064
Other operating income		**703**	--
Staff costs	17	**(1,193,879)**	(1,831,977)
Depreciation		**(370,784)**	(377,509)
Other operating expenses	18	**(716,633)**	(919,806)
Interest income		**5,338**	--
PROFIT FOR THE YEAR		**(33,494)**	460,772
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(33,494)**	460,772

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

IRIS MEDICAL CENTER LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2016	150,000	75,000	1,520,798	1,745,798
Total comprehensive income for the year	--	--	460,772	460,772
Dividends paid	--	--	(223,946)	(223,946)
Balance at 31 March 2017	150,000	75,000	1,757,624	1,982,624
Total comprehensive income for the year	--	--	(33,494)	(33,494)
Balance at 31 March 2018	**150,000**	**75,000**	**1,724,130**	**1,949,130**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

IRIS MEDICAL CENTER LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 AED	2017 AED
Cash flows from operating activities		
Loss/profit for the year	(33,494)	460,722
Adjustments for:		
Depreciation of property, plant and equipment	370,784	377,509
Interest income	(5,338)	--
Provision for end-of-service benefits	4,646	7,629
	336,598	845,910
Decrease/(increase) in inventories	204,900	(95,853)
Decrease/(increase) in other receivables	414,678	(472,146)
Increase/(decrease) in trade and other payables	162,132	(364,330)
Staff end-of service benefits paid	(13,797)	--
Net cash from/(used in) operating activities	1,104,511	(86,419)
Cash flows from investing activities		
Payment for property, plant and equipment	(71,943)	(27,245)
Payment for capital advance	(42,636)	
(Payment to)/receipts from a related party	(666,455)	172,973
Interest received	5,338	--
Net cash (used in)/from investing activities	(781,696)	145,728
Cash flows from financing activities		
Dividends paid	--	(223,946)
(Payment to)/receipts from a related party	(126,925)	126,925
Net cash used in financing activities	(126,925)	(97,021)
Net increase/(decrease) in cash and cash equivalents	195,890	(37,712)
Cash and cash equivalents at beginning of year	75,792	113,504
Cash and cash equivalents at end of year (note 10)	271,682	75,792

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 2 to 4.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **IRIS MEDICAL CENTRE LLC** is a limited liability company registered in Abu Dhabi, United Arab Emirates, in accordance with the provision of Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended. [Repealed by UAE Federal Law No. (2) of 2015]. The registered office is Villa Sheikh Mohammed Bin Khalid Al Nahyan, Corniche, Abu Dhabi, UAE.

b) The principle activity of the company is to perform dental, plastic surgery, dermatology and venerology clinics services.

c) The company is a subsidiary of Kaya Middle East DMCC (the "Parent company"), a company registered in Dubai, UAE. The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**
The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2017, and the requirements of UAE Federal Law No. (2) of 2015.

b) **Basis of measurement**
The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**
The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**
Standards and interpretations effective for the current year
The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the Company are as follows:

- Amendments to IAS 7 Disclosure Initiative
  The amendments require the disclosure that enable the users to evaluate the changes in liabilities arising from financing activities, including changes arising from cash flow and non cash changes.

New and revised IFRSs in issue but not yet effective
The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)
  IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an Company's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)
  The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Clarifications to IFRS 15: Revenue from Contracts with Customers (1 January 2018)

- IFRS 16: Leases (1 January 2019)
  IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

e) **Functional and presentation currency**
The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as 5 years.

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

b) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

Finished goods are stated at lower of cost and net realizable value. Cost comprises of direct materials, labour and other attributable overheads.

c) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

d) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

e) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the Company has delivered the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the risks and rewards have been transferred to the customer and either the customer has accepted the product in accordance with the sales contract, the acceptance provision has lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

Sale of services

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the services have been provided to the customer and the sessions under the package are utilised. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

Interest income

Interest income is recognised on accrual basis using the effective interest method, when it is probable that the economic benefits will flow to the Company and the interest can be measured reliably.

f) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

g) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

h) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

i) Value added tax

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax period/s and deposit the same within the prescribed due dates of filing VAT return and tax payment.

j) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Other receivables

Other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Related party receivables

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank current accounts.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

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

k) **Fair value measurement**

The Company also discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that 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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 154,408 (previous year AED 359,308) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the Company either from third parties, (see note 9) or from a related party (see note 10) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 18,127 (previous year AED 27,278), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress(i)	Plant and machinery	Furniture, fixtures and office equipment	Total
	AED	AED	AED	AED
Cost				
At 1 April 2016	--	1,165,096	664,828	1,829,924
Additions	20,218	4,685	2,342	27,245
At 31 March 2017	20,218	1,169,781	667,170	1,857,169
Additions	46,775	12,193	12,975	71,943
Transfer	(20,218)	14,401	5,817	--
At 31 March 2018	**46,775**	**1,196,375**	**685,962**	**1,929,112**
Accumulated Depreciation				
At 1 April 2016	--	89,744	51,425	141,169
Depreciation	--	240,444	137,065	377,509
At 31 March 2017	--	330,188	188,490	518,678
Depreciation	--	236,519	134,265	370,784
At 31 March 2018	--	**566,707**	**322,755**	**889,462**
Carrying amount				
At 1 April 2016	--	1,075,352	613,403	1,688,755
At 31 March 2017	20,218	839,593	478,680	1,338,491
At 31March 2018	**46,775**	**629,668**	**363,207**	**1,039,650**

(i) Capital Work in progress represent work towards refurbishment of clinic

7. CAPITAL ADVANCE

This represents advances paid against refurbishment of clinic.

	2018 AED	2017 AED
8. INVENTORIES		
Consumables and goods for sale.	**154,408**	359,308
9. OTHER RECEIVABLES		
Advances	**141,398**	--
Prepayments	**187,434**	415,361
Deposits	**43,000**	142,500
Other receivables	**8,877**	237,526
	380,709	795,387

10. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the ultimate parent company, the parent company, fellow subsidiaries and key management personnel and relatives.

	Parent company AED	Total 2018 AED	Total 2017 AED
Amount due from a related party	666,455	666,455	
	--		--
Amount due to a related party	--	--	
	126,925		126,925

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 18.

Significant transactions with related parties during the year were as follows:

	Parent company AED	Companies under common ownership/control AED	Total 2018 AED	Total 2017 AED
Salaries	640,000	--	640,000	
	960,000	--		960,000
Purchase	--	292,625	292,625	
	--	--		--

The Company also provides funds to/receives funds from related parties as working capital facilities, free of interest.

	2018 AED	2017 AED
11. CASH AND CASH EQUIVALENTS		
Cash on hand	48,837	13,589
Bank balances in current accounts(i)	222,845	62,203
	271,682	75,792

(i) Includes bank balances of AED 6,516 (previous year 62,203) held in the name of a shareholder.

12. SHARE CAPITAL		
Paid up:		
100 shares of AED 1,500 each	150,000	150,000

		2018 AED	2017 AED
13.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	**27,278**	19,649
	Provision for the year	**4,646**	7,629
	Paid during the year	**(13,797)**	--
	Closing balance	**18,127**	27,278
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**266,151**	212,784
	Creditors for capital goods	**19,772**	--
	Accruals	**51,700**	37,584
	Advance received	**160,966**	181,783
	Other payables	**95,694**	--
		594,283	432,151

The entire trade and other payables are due for payment in one year.

15. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with amounts due from a related party. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is not exposed to any externally imposed capital requirements.

Funds generated from internal accruals together with funds provided to a related party are retained in the business, according to the business requirements and maintain capital at desired levels.

		2018 AED	2017 AED
16.	**REVENUE**		
	Sale of products	**143,875**	153,490
	Sale of services	**2,918,452**	4,051,642
		3,062,327	4,205,132
17.	**STAFF COSTS**		
	Staff salaries and benefits	**1,189,233**	1,824,348
	Staff end-of-service benefits	**4,646**	7,629
		1,193,879	1,831,977

		2018 AED	2017 AED
18.	**OTHER OPERATING EXPENSES**		
	Operating lease expenses	**236,750**	227,813
	Other expenses	**479,883**	691,993
		716,633	919,806

19. **FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		**At amortised cost**	
	2018 AED	2017 AED	**2018 AED**	2017 AED
Other receivables	**80,477**	380,026	--	--
Amount due from a related party	**666,455**	--	--	--
Cash and cash equivalents	**271,682**	75,792	--	--
Trade and other payables	--	--	**433,317**	394,567
Amount due to a related party	--	--	--	126,925
	1,018,614	455,818	**433,317**	521,492

Management of risk

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks)

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

The Company buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, other receivables and amount due from a related party.

The Company's bank accounts are placed with high credit quality financial institutions.

Amounts due from a related party and other receivables are stated net of the allowance for doubtful recoveries.

At the reporting date 100% of amount due from a related party is due from a related party (previous year Nil).

At the reporting date, there is no significant concentration of credit risk from customers outside the industry in which the Company operates.

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Fair values
The 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 values of the company's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

For **IRIS MEDICAL CENTER LLC**

MANAGER

MINAL MEDICAL CENTRE L.L.C.

Financial statements and reports
Year ended 31 March 2018

MINAL MEDICAL CENTRE L.L.C.

Financial statements and reports
Year ended 31 March 2018

CONTENTS **PAGE**

MINAL MEDICAL CENTRE L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The manager submits his report and financial statements for the year ended 31 March 2018. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends
The profit for the year amounted to AED 2,219,548. An amount of AED 2,063,106 has been declared and paid as dividend during the year ended 31 March 2018.

Review of the business
The Company's principal activity during the year was providing clinical and dermatological services.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (2) of 2015.

Events since the end of the year
There are no significant events since the end of the year.

Shareholders and their interests
The Shareholders at 31 March 2018 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Mr. Ahmed Khalil Mohamed Samea Al Mutawa	153	153,000
Ms. Minal Patwardhan Andrade	75	75,000
Kaya Middle East DMCC	72	72,000
	300	**300,000**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2018 and it is proposed that they be re-appointed for the year ending 31 March 2019.

Manager
22 April 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **MINAL MEDICAL CENTRE L.L.C.**

Report on the Audit of Financial Statements

Opinion

We have audited financial statements of **MINAL MEDICAL CENTRE L.L.C.** (the "Company") which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the period ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2017.

Other Information

Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (2) of 2015, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

Continued...

Level 18, Rolex Tower, Sheikh Zayed Road, P.O.Box 13094, Dubai, UAE.
Tel +9714 3888 900, Fax +9714 355 2070, Email dubai@pkfuae.com, www.pkfuae.com

INDEPENDENT AUDITOR'S REPORT
(continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 concluded that there is a material misstatement of the 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 Financial Statements

Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

Continued…

- 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 Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.

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

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
As required by the UAE Federal Law No. (2) of 2015, we report that:

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

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

iii) the Company has maintained proper books of account;

iv) the financial information included in the Manager's report is consistent with the books of account of the Company;

v) the Company has not purchased or invested in any shares during the financial year ended 31 March 2018;

vi) note 9 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

Continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

vii) the Company has not made any social contributions during the financial year ended 31 March 2018; and

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 Company has contravened during the financial year ended 31 March 2018 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2018 and there are no penalties imposed on the Company.

PKF

PKF
Dubai
United Arab Emirates
29 April 2018

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 AED	2017 (Restated) [Note 21(a)] AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	620,351	654,732
Current assets			
Inventories	7	229,689	115,899
Trade and other receivables	8	1,098,381	499,691
Amount due from a related party	9	25,000	--
Cash and cash equivalents	10	226,121	596,202
		1,579,191	1,211,792
Total assets		2,199,542	1,866,524
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	11	300,000	300,000
Statutory reserve		150,000	--
Retained earnings		833,350	826,908
Total Shareholders' funds		1,283,350	1,126,908
Non-current liabilities			
Provision for staff end-of-service benefits	12	177,727	123,810
Current liabilities			
Trade and other payables	13	652,037	473,560
Amounts due to related parties	9	86,428	142,246
		738,465	615,806
Total liabilities		916,192	739,616
Total equity and liabilities		2,199,542	1,866,524

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the manager on 22 April 2018.

For **MINAL MEDICAL CENTRE L.L.C.**

MANAGER

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	1.4.2017 to 31.3.2018	7.12.2016 to 31.3.2017 [Note 21 (b)]
		AED	AED
Revenue		6,782,946	2,115,719
Purchases of inventory		(1,015,516)	(285,786)
Changes in Inventories		113,790	(13,836)
Gross profit		5,881,220	1,816,097
Staff costs	16	(2,354,602)	(608,436)
Depreciation		(141,601)	(84,848)
Other operating expenses	17	(1,165,989)	(361,859)
Interest income	18	520	607
PROFIT FOR THE YEAR/PERIOD		2,219,548	761,561
Other comprehensive income:			
Other comprehensive income for the year/period		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		2,219,548	761,561

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 7 December 2016	200,000	--	519,719	719,719
Restatement (Note 21(a))	100,000	--	(100,000)	--
Balance at 7 December 2016 (Restated)	300,000	--	419,719	719,719
Total comprehensive income for the period	--	--	761,561	761,561
Dividends paid during the period	--	--	(354,372)	(354,372)
Balance at 31 March 2017	300,000	--	826,908	1,126,908
Total comprehensive income for the year	--	--	2,219,548	2,219,548
Transfers	--	150,000	(150,000)	--
Dividends paid during the year	--	--	(2,063,106)	(2,063,106)
Balance at 31 March 2018	**300,000**	**150,000**	**833,350**	**1,283,350**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	1.4.2017 to 31.3.2018 AED	7.12.2016 to 31.3.2017 [Note 21(b)] AED
Cash flows from operating activities		
Profit for the year/period	2,219,548	761,561
Adjustments for:		
Depreciation of property, plant and equipment	141,601	84,848
Interest income	(520)	(607)
Provision for staff end-of-service benefits	53,917	11,023
	2,414,546	856,825
(Increase)/decrease in inventories	(113,790)	13,836
Increase in trade and other receivables	(598,690)	(27,399)
Increase/(decrease) in trade and other payables	178,477	(74,083)
Staff end-of-service benefits paid	--	(11,458)
Net cash generated from operating activities	1,880,543	757,721
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(107,220)	--
Payments to a related party	(25,000)	--
Interest received	520	607
Net cash (used in)/from investing activities	(131,700)	607
Cash flows from financing activities		
Dividends paid	(2,063,106)	(354,372)
(Payments to)/receipts from related parties	(55,818)	62,376
Net cash used in financing activities	(2,118,924)	(291,996)
Net (decrease)/increase in cash and cash equivalents	(370,081)	466,332
Cash and cash equivalents at beginning of year/period	596,202	129,870
Cash and cash equivalents at end of year/period (note 10)	226,121	596,202

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **MINAL MEDICAL CENTRE L.L.C.** (the "Company") is a limited liability company registered under in Dubai, United Arab Emirates, in accordance with the provisions of UAE Federal Law No. (2) of 2015. The principal place of business is PO Box: 213563, Dubai, UAE.

b) The Company is engaged in the business of providing clinical and dermatological services.

c) The Company was initially registered as a civil company on 11 August 2010 and commenced its operations since then. With effect from 7 December 2016, vide a share transfer agreement, Kaya Middle East DMCC acquired controlling stake in the Company and the Company was converted into limited liability company carrying on the same business activities.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**
The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2017, and the requirements of UAE Federal Law No. (2) of 2015.

b) **Basis of measurement**
The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**
The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**
Standards and interpretations effective for the current year
The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the Company are as follows:

- Amendments to IAS 7 Disclosure Initiative
  The amendments require the disclosure that enable the users to evaluate the changes in liabilities arising from financing activities, including changes arising from cash flow and non-cash changes.

New and revised IFRSs in issue but not yet effective

The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)
  IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)
  The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Clarifications to IFRS 15: Revenue from Contracts with Customers (1 January 2018)

- IFRS 16: Leases (1 January 2019)
  IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the written down value (WDV) method over the estimated useful lives of the assets as follows:

Plant and machinery	20%
Furniture, fixtures and office equipment	20%
Vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling prices less any estimated cost of completion and disposal.

c) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

d) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

e) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the Company has delivered the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the risks and rewards have been transferred to the customer and either the customer has accepted the product in accordance with the sales contract, the acceptance provision has lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

Sale of services

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the services have been provided to the customer and the sessions under the package are utilised. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

Interest income

Interest income is recognised on accrual basis using the effective interest method, when it is probable that the economic benefits will flow to the Company and the interest can be measured reliably.

f) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

Leases under which substantially all the risks and rewards of ownership pass to the Company are treated as finance leases and capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are allocated to the finance charge so as to achieve a constant rate of return on the outstanding balance and charged to profit or loss and to the repayment of the lease liability.

Payments made for entering into operating leases for land and buildings that fall within the classification of investment property are treated as if they were finance leases and accounted as investment properties.

g) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

h) **Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

i) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax period/s and deposit the same within the prescribed due dates of filing VAT return and tax payment.

j) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Trade and other receivables

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Related party receivables

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue balances is recognised as it accrues.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Equity instruments issued by the Company are recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

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

k) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that 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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 229,689 (previous period AED 115,899) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the Company either from third parties, (see note 8) or from related parties (see note 9) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 177,727 (previous period AED 123,810), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED
Cost				
At 7 December 2016 and 31 March 2017	1,780,776	186,932	88,400	2,056,108
Additions	99,020	8,200	--	107,220
At 31 March 2018	**1,879,796**	**195,132**	**88,400**	**2,163,328**
Accumulated depreciation				
At 7 December 2016	1,167,438	123,124	25,966	1,316,528
Depreciation	73,033	5,921	5,894	84,848
At 31 March 2017	1,240,471	129,045	31,860	1,401,376
Depreciation	117,895	12,398	11,308	141,601
At 31 March 2018	**1,358,366**	**141,443**	**43,168**	**1,542,977**
Carrying amount				
At 7 December 2016	613,338	63,808	62,434	739,580
At 31 March 2017	540,305	57,887	56,540	654,732
At 31 March 2018	**521,430**	**53,689**	**45,232**	**620,351**

		2018 AED	2017 AED
7.	**INVENTORIES**		
	Consumables	**229,689**	115,899

8.	**TRADE AND OTHER RECEIVABLES**		
	Credit card receivables	**21,774**	--
	Advances	**573,380**	359,317
	Prepayments	**270,710**	46,097
	Deposits	**232,517**	94,277
		1,098,381	499,691

At the reporting date, there are no receivables that are not past due and not impaired.

At the reporting date, there are no receivables considered to be impaired due to non-recovery or perceived difficulty in recovering.

At the reporting date, the entire receivables are not past due and not impaired.

The Company does not hold any collateral against receivable.

9. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the shareholders and fellow subsidiaries.

At the reporting date, significant balances with related parties were as follows:

	Shareholders AED	Fellow subsidiaries AED	Total 2018 AED	Total 2017 AED
Amount due from a related party	25,000	--	**25,000**	
	--	--		--
Amounts due to related parties	86,428	--	**86,428**	
	42,246	100,000		142,246

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 19.

Significant transactions with related parties during the year/period were as follows:

	Shareholders	Fellow subsidiaries	Total 1.4.2017 to 31.3.2018	Total 7.12.2016 to 31.3.2017 [Note 21(b)]
	AED	AED	AED	AED
Recharge of expenses	96,817	--	96,817	
	--	--		--
Staff salaries	330,000	--	330,000	
	115,161	--		115,161
Dividend paid	2,063,106	--	2,063,106	
	354,372	--		354,372

The Company also receives funds from/provides funds to related parties as working capital facilities, free of interest.

	2018 AED	2017 AED
10. CASH AND CASH EQUIVALENTS		
Cash on hand	14,974	10,813
Bank balances in current accounts	211,147	585,389
	226,121	596,202
11. SHARE CAPITAL		
Paid up:		
300 shares of AED 1,000 each	300,000	300,000
12. PROVISION FOR STAFF END-OF-SERVICE BENEFITS		
Opening balance	123,810	124,245
Provision for the year/period	53,917	11,023
Paid during the year/period	--	(11,458)
Closing balance	177,727	123,810
13. TRADE AND OTHER PAYABLES		
Trade payables	196,046	333,175
Accruals	360,303	140,385
Other payables	95,688	--
	652,037	473,560

14. DIVIDENDS

Dividends declared and approved by the shareholders during the year of AED 2,063,106 (previous period AED 354,372) represent a dividend per share of AED 6,877 (previous period AED 1,181).

15. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position and amounts due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is not exposed to any externally imposed capital requirements.

Funds generated from internal accruals together with funds received from related parties net of funds provided to a related party are retained in the business, according to the business requirements and to maintain capital at desired levels.

	1.4.2017 to 31.3.2018 AED	7.12.2016 to 31.3.2017 [Note 21 (b)] AED
16. STAFF COSTS		
Staff salaries and benefits	2,300,685	597,413
Staff end-of-service benefits	53,917	11,023
	2,354,602	608,436
17. OTHER OPERATING EXPENSES		
Operating lease expenses	461,203	190,060
Other expenses	704,786	171,799
	1,165,989	361,859
18. INTEREST INCOME		
On bank deposits	520	607

19. **FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At amortised cost	
	2018 AED	2017 AED	2018 AED	2017 AED
Trade and other receivables	271,591	94,277	--	--
Amount due from a related party	25,000	--	--	--
Cash and cash equivalents	226,121	596,202	--	--
Trade and other payables	--	--	487,340	379,864
Amounts due to related parties	--	--	86,428	142,246
	522,712	690,479	573,768	522,110

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

The Company also buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amounts due from a related party.

The Company's bank accounts are placed with high credit quality financial institutions.

Amount due from a related party and trade and other receivables are stated net of the allowance for doubtful recoveries.

At the reporting date, the Company's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

At the reporting date, there is no significant concentration of credit risk from receivables (previous year Nil)

At the reporting date, 100% of amount due from a related party is due from one related party (previous year Nil).

At the reporting date, there is no significant concentration of credit risk from customers outside the industry in which the Company operates.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Fair values

The 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 values of the Company's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

20. OPERATING LEASE COMMITMENTS

The Company has entered into non-cancellable operating lease for the medical centre. The total of the future lease payments is as follows:

	31.3.2018 AED	31.3.2017 AED
Not later than one year	408,649	408,649
Between one and five years	272,432	681,081
	681,081	1,089,730

21. COMPARATIVE INFORMATION

a) During the period, the management identified an error in recording the share capital and statutory reserve of the company. As required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, the Company has rectified the error by retrospectively restating the opening balances.

The Company also undertook an exercise to realign the accounting policies with that of the ultimate parent company and accordingly the revised accounting policies were retrospectively applied by restating the opening retained.

The Company has prepared the opening statement of financial position as at 7 December 2016 and all comparative figures for the year ended 31 March 2017 have been restated.

The following reconciliations provide a quantification effect of rectification of error and its impact on elements of statement of financial position:

	As at 31 March 2017			As at 7 December 2016		
	Previously stated balance Debit/(credit)	Adjustments Debit/ (credit)	Restated balance Debit/(credit)	Previously stated balance Debit/(credit)	Adjustments Debit/ (credit)	Restated balance Debit/(credit)
	AED	AED	AED	AED	AED	AED
Share capital	(200,000)	(100,000)	(300,000)	(200,000)	(100,000)	(300,000)
Retained earnings	(926,901)	99,993	(826,908)	(519,719)	100,000	(419,719)
Trade and other receivables	499,684	7	499,691	--	--	--

b) The comparative financial information is for a period from 7 December 2016 (being the date of conversion of the Company to a limited liability company), to 31 March 2017 and hence are not comparable with those of current period which is for 12 months.

c) Previous year's amounts have been regrouped/reclassified as it is considered that the revised grouping/classification, which has been adopted in the current accounting year, more fairly presents the state of affairs.

For **MINAL MEDICAL CENTRE L.L.C.**

MANAGER

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

Financial statements and reports
Year ended 31 March 2018

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

Financial statements and reports
Year ended 31 March 2018

CONTENTS	PAGE

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The manager submits his report and financial statements for the year ended 31 March 2018. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends
The profit for the year amounted to AED 897,852. An amount of AED 837,880 has been declared and paid as dividend during the year ended 31 March 2018.

Review of the business
The Company's principal activity during the year was providing clinical and dermatological services.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (2) of 2015.

Events since the end of the year
There are no significant events since the end of the year.

Shareholders and their interests
The shareholders at 31 March 2018 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Ahmed Khalil Mohamed Samea Al Mutawa	153	153,000
Ms. Minal Patwardhan Andrade	75	75,000
Kaya Middle East DMCC	72	72,000
	300	**300,000**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2018 and it is proposed that they be re-appointed for the year ending 31 March 2019.

Manager
22 April 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

Report on the Audit of Financial Statements

Opinion

We have audited financial statements of **MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C** (the "Company") which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the period ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2017.

Other Information

Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (2) of 2015, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

continued....

Level 18, Rolex Tower, Sheikh Zayed Road, P.O.Box 13094, Dubai, UAE.
Tel +9714 3888 900, Fax +9714 355 2070, Email dubai@pkfuae.com, www.pkfuae.com

PKF
Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 concluded that there is a material misstatement of the 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 Financial Statements

Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

continued...

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
As required by the UAE Federal Law No. (2) of 2015, we report that:

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

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

iii) the Company has maintained proper books of account;

iv) the financial information included in the Manager's report is consistent with the books of account of the Company;

v) the Company has not purchased or invested in any shares during the financial year ended 31 March 2018;

vi) note 9 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) the Company has not made any social contributions during the financial year ended 31 March 2018; and

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 Company has contravened during the financial year ended 31 March 2018 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2018 and there are no penalties imposed on the Company.

PKF

PKF
Dubai
United Arab Emirates
29 April 2018

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 AED	2017 (Restated) (Note 21(a)) AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**395,270**	437,650
Current assets			
Inventories	7	**152,397**	84,997
Trade and other receivables	8	**464,195**	609,375
Amount due from a related party	9	**25,000**	100,000
Cash and cash equivalents	10	**856,653**	295,644
		1,498,245	1,090,016
Total assets		**1,893,515**	1,527,666
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	11	**300,000**	300,000
Statutory reserve		**89,785**	--
`Retained earnings		**778,997**	808,810
Total shareholders' funds		**1,168,782**	1,108,810
Non-current liabilities			
Provision for staff end-of-service benefits	12	**246,033**	189,414
Current liabilities			
Trade and other payables	13	**478,700**	201,495
Amount due to a related party	9	**--**	27,947
		478,700	229,442
Total liabilities		**724,733**	418,856
Total equity and liabilities		**1,893,515**	1,527,666

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the manager on 22 April 2018.

For **MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C**

MANAGER

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	1.4.2017 to 31.3.2018	7.12.2016 to 31.3.2017 (Note 21)
		AED	AED
Revenue		4,955,861	1,571,401
Purchases of inventory		(677,060)	(178,786)
Changes in Inventories		67,400	26,105
Gross profit		4,346,201	1,418,720
Staff costs	16	(2,705,650)	(823,587)
Depreciation		(93,000)	(59,870)
Other operating expenses	17	(653,944)	(153,655)
Interest income	18	4,245	409
PROFIT FOR THE YEAR/PERIOD		897,852	382,017
Other comprehensive income:			
Other comprehensive income for the year/period		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		897,852	382,017

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 7 December 2016	100,000	--	911,672	1,011,672
Restatement (Note 21)	200,000	--	(200,000)	--
Balance at 7 December 2016 (restated)	300,000	--	711,672	1,011,672
Total comprehensive income for the period	--	--	382,017	382,017
Dividends paid during the period	--	--	(284,879)	(284,879)
Balance at 31 March 2017	300,000	--	808,810	808,810
Total comprehensive income for the year	--	--	897,852	897,852
Transfers	--	89,785	(89,785)	--
Dividends paid during the year	--	--	(837,880)	(837,880)
Balance at 31 March 2018	**300,000**	**89,785**	**778,997**	**1,168,782**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	1.4.2017 to 31.3.2018	7.12.2016 to 31.3.2017 (Note 21)
	AED	AED
Cash flows from operating activities		
Profit for the year/period	897,852	382,017
Adjustments for:		
Depreciation of property, plant and equipment	93,000	59,870
Interest income	(4,245)	(409)
Provision for staff end-of-service benefits	77,241	8,823
	1,063,848	450,301
Increase in inventories	(67,400)	(26,105)
Decrease in trade and other receivables	145,180	172,001
Increase in trade and other payables	277,205	5,970
Staff end-of-service benefits paid	(20,622)	--
Net cash generated from operating activities	1,398,211	602,167
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(50,620)	--
Decrease/(increase) in amounts due from a related party	75,000	(69,986)
Interest received	4,245	409
Net cash from/(used in) investing activities	28,625	(69,577)
Cash flows from financing activities		
Dividends paid	(837,880)	(284,879)
(Decrease)/increase in amount due to a related party	(27,947)	27,947
Net cash used in financing activities	(865,827)	(256,932)
Net increase in cash and cash equivalents	561,009	275,658
Cash and cash equivalents at beginning of year/period	295,644	19,986
Cash and cash equivalents at end of year/period (note 10)	856,653	295,644

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 4.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C** (the "Company") is a limited liability company registered under in Dubai, United Arab Emirates, in accordance with the provisions of UAE Federal Law No. (2) of 2015. The principal place of business is PO Box: 213563, Dubai, UAE.

b) The Company is engaged in the business of providing clinical and dermatological services.

c) The Company was initially registered as a civil company on 11 August 2010 and commenced its operations since then. With effect from 7 December 2016, vide a share transfer agreement, Kaya Middle East DMCC acquired controlling stake in the Company and the Company was converted into limited liability company carrying on the same business activities.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2017, and the requirements of UAE Federal Law No. (2) of 2015.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

d) **Adoption of new International Financial Reporting Standards**

Standards and interpretations effective for the current year

The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the Company are as follows:

- Amendments to IAS 7 Disclosure Initiative
  The amendments require the disclosure that enable the users to evaluate the changes in liabilities arising from financing activities, including changes arising from cash flow and non-cash changes.

New and revised IFRSs in issue but not yet effective
The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)
  IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)
  The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Clarifications to IFRS 15: Revenue from Contracts with Customers (1 January 2018)

- IFRS 16: Leases (1 January 2019)
  IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

e) **Functional and presentation currency**
The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the written down value (WDV) method over the estimated useful lives of the assets as follows:

Plant and machinery	20%
Furniture, fixtures and office equipment	20%
Vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling prices less any estimated cost of completion and disposal.

c) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

d) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the UAE Federal Law No. (2) of 2015. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

e) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the Company has delivered the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the risks and rewards have been transferred to the customer and either the customer has accepted the product in accordance with the sales contract, the acceptance provision has lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

Sale of services

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the services have been provided to the customer and the sessions under the package are utilised. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

Interest income

Interest income is recognised on accrual basis using the effective interest method, when it is probable that the economic benefits will flow to the Company and the interest can be measured reliably.

f) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

Leases under which substantially all the risks and rewards of ownership pass to the Company are treated as finance leases and capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are allocated to the finance charge so as to achieve a constant rate of return on the outstanding balance and charged to profit or loss and to the repayment of the lease liability.

Payments made for entering into operating leases for land and buildings that fall within the classification of investment property are treated as if they were finance leases and accounted as investment properties.

g) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

h) **Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

i) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax period/s and deposit the same within the prescribed due dates of filing VAT return and tax payment.

j) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Trade and other receivables

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Related party receivables

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue balances is recognised as it accrues.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Equity instruments issued by the Company are recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

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

k) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that 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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 152,397 (previous period AED 84,997) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the Company either from third parties, (see note 8) or from related parties (see note 9) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 246,033 (previous period AED 189,414) assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. PROPERTY, PLANT AND EQUIPMENT

	Medical equipment	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED
Cost				
At 7 December 2016 and 31 March 2017	4,366,308	564,771	104,357	5,035,436
Additions	44,020	6,600	--	50,620
At 31 March 2018	**4,410,328**	**571,371**	**104,357**	**5,086,056**
Accumulated depreciation				
At 7 December 2016	3,999,957	481,116	56,843	4,537,916
Depreciation	43,586	9,327	6,957	59,870
At 31 March 2017	4,043,543	490,443	63,800	4,597,786
Depreciation	69,363	15,526	8,111	93,000
At 31 March 2018	**4,112,906**	**505,969**	**71,911**	**4,690,786**
Carrying amount				
At 7 December 2016	366,351	83,655	47,514	497,520
At 31 March 2017	322,765	74,328	40,557	437,650
At 31 March 2018	**297,422**	**65,402**	**32,446**	**395,270**

		2018	2017
		AED	AED
7.	**INVENTORIES**		
	Consumables	**152,397**	84,997
8.	**TRADE AND OTHER RECEIVABLES**		
	Credit card receivables	**11,158**	12,855
	Advances	**104,814**	46,171
	Prepayments	**297,526**	499,302
	Deposits	**50,697**	51,047
		464,195	609,375

At the reporting date, there are no receivables that are not past due and not impaired.

At the reporting date, there are no receivables considered to be impaired due to non-recovery or perceived difficulty in recovering.

At the reporting date, the entire receivables are not past due and not impaired.

The Company does not hold any collateral against receivables.

9. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the shareholders and fellow subsidiaries.

At the reporting date, significant balances with related parties were as follows:

	Shareholders	Fellow subsidiaries	Total 31.3.2018	Total 31.3.2017
	AED	AED	AED	AED
Amounts due from a related party	25,000	--	**25,000**	
	--	100,000		100,000
Included in trade and other receivables	52,100	--	**52,100**	
	--	--		--
Amount due to a related party	--	--	**--**	
	27,947	--		27,947

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 19.

Significant transactions with related parties during the year/period were as follows:

	Shareholders	Fellow subsidiaries	Total 1.4.2017 to 31.3.2018	Total 7.12.2016 to 31.3.2017 (Note 21 (b))
	AED	AED	AED	AED
Recharge of expenses	97,501	--	**97,501**	
	--	--		--
Staff Salaries and benefits	390,000	--	**390,000**	
	--	--		--
Dividend paid	837,880	--	**837,880**	
	284,879	--		284,879

The Company also receives funds from/provides funds to related parties as working capital facilities, free of interest.

		2018 AED	2017 AED
10.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**21,728**	7,166
	Bank balances in current accounts	**834,925**	288,478
		856,653	295,644
11.	**SHARE CAPITAL**		
	Paid up:		
	300 shares of AED 1,000 each	**300,000**	300,000
12.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	**189,414**	180,591
	Provision for the year/period	**77,241**	8,823
	Paid during the year/period	**(20,622)**	--
	Closing balance	**246,033**	189,414
13.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**267,633**	43,867
	Accruals	**168,158**	157,628
	Other payables	**42,909**	--
		478,700	201,495

14. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED 837,880 (previous period AED 284,879) represent a dividend per share of AED 2,793 (previous period AED 950).

15. **MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position and amounts due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is not exposed to any externally imposed capital requirements.

Funds generated from internal accruals together with funds received from related parties net of funds provided to a related party are retained in the business, according to the business requirements and to maintain capital at desired levels.

		1.4.2017 to 31.3.2018 AED	7.12.2016 to 31.3.2017 (Note 21(b)) AED
16.	**STAFF COSTS**		
	Staff salaries and benefits	2,628,409	814,764
	Staff end-of-service benefits	77,241	8,823
		2,705,650	823,587
17.	**OTHER OPERATING EXPENSES**		
	Operating lease expenses	216,651	46,432
	Other expenses	437,293	107,223
		653,944	153,655
18.	**INTEREST INCOME**		
	On bank deposits	4,245	409

19. **FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At amortised cost	
	2018	2017	**2018**	2017
	AED	AED	**AED**	AED
Trade and other receivables	**88,355**	110,073	--	--
Amount due from a related party	**25,000**	100,000	--	--
Cash and cash equivalents	**856,653**	295,644	--	--
Trade and other payables	--	--	**363,042**	124,749
Amount due to a related party	--	--	--	27,947
	970,008	505,717	**363,042**	152,696

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

The Company also buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amounts due from a related party.

The Company's bank accounts are placed with high credit quality financial institutions.

Amount due from a related party and trade and other receivables are stated net of the allowance for doubtful recoveries.

At the reporting date, there is no significant concentration of credit risk from receivables (previous year Nil)

At the reporting date, 100% of amount due from a related party is due from one related party (previous year 100% due from one related party).

At the reporting date, there is no significant concentration of credit risk from customers outside the industry in which the Company operates.

Currency risk
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

Interest rate risk
The Company is not exposed to any significant interest rate risk.

Fair values
The 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 values of the Company's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

20. OPERATING LEASE COMMITMENTS

The Company has entered into non-cancellable operating lease for the medical centre. The total of the future lease payments is as follows:

	31.3.2018	31.3.2017
	AED	AED
Not later than one year	**75,000**	75,000
Between one and five years	**93,750**	168,750
	168,750	243,750

21. COMPARATIVE INFORMATION

a) During the period, the management identified an error in recording the share capital and statutory reserve of the company. As required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, the Company has rectified the error by retrospectively restating the opening balances.

The Company also undertook an exercise to realign the accounting policies with that of the ultimate parent company and accordingly the revised accounting policies were retrospectively applied by restating the opening retained.

The Company has prepared the opening statement of financial position as at 7 December 2016 and all comparative figures for the year ended 31 March 2017 have been restated.

The following reconciliations provide a quantification effect of rectification of error and its impact on elements of statement of financial position:

	As at 31 March 2017			As at 7 December 2016		
	Previously stated balance Debit/(credit)	**Adjustments Debit/ (credit)**	**Restated balance Debit/(credit)**	**Previously stated balance Debit/(credit)**	**Adjustments Debit/ (credit)**	**Restated balance Debit/(credit)**
	AED	**AED**	**AED**	**AED**	**AED**	**AED**
Share capital	(100,000)	(200,000)	(300,000)	(100,000)	(200,000)	(300,000)
Retained earnings	(1,008,808)	199,998	(808,810)	(911,672)	200,000	(711,672)
Trade and other receivables	609,373	2	609,375	--	--	--

b) The comparative financial information is for a period from 7 December 2016 (being the date of conversion of the Company to a limited liability company), to 31 March 2017 and hence are not comparable with those of current period which is for 12 months.

c) Previous year's amounts have been regrouped/reclassified as it is considered that the revised grouping/classification, which has been adopted in the current accounting year, more fairly presents the state of affairs.

For **MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C**

MANAGER

PKF

Accountants &
business advisers

KAYA-BEDA JV

Financial statements and independent auditor's report
Year ended 31 March 2018

KAYA-BEDA JV

Financial statements and independent auditor's report
Year ended 31 March 2018

CONTENTS | **PAGE**

INDEPENDENT AUDITOR'S REPORT

THE DIRECTORS
KAYA-BEDA JV

Report on the Audit of Financial Statements

Opinion
We have audited Financial statements of **KAYA-BEDA JV** (the "JV") which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the JV as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the JV in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 (c) in the financial statements, which states that the JV incurred a loss of KWD 79,623 for the year ended 31 March 2018 and at that date, the JV's losses aggregated to KWD 187,752 and it had a net deficit of KWD 82,148 in equity funds. As stated in Note 2 (c), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the JV's ability to continue as a going concern.

However, the ultimate parent company has agreed to continue with the operations of the JV and has agreed to provide continuing financial support to enable the JV to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

continued....

Tel: +965 22279330 • Fax: +965 22279340 • E-mail: tareq@pkf.com.kw • www.pkf.com.kw
P.O. Box: 20986 • Safat 13070 • Kuwait

Other Matter

The financial statements of KAYA-BEDA JV for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 22 April 2017.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the JV'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 JV or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 JV's internal control.

continued...

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(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 JV'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 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 JV to cease to continue as a going concern.

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

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.

Tariq M. Bouresli
License No. 75A
PKF Bouresli & Co.
Member of PKF International
Kuwait

29 April 2018

KAYA-BEDA JV

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 KWD	2017 (Note 21) KWD
ASSETS			
Non-current assets			
Property, plant and equipment	6	133,172	142,032
Capital advances	7	6,235	--
		139,407	142,032
Current assets			
Inventories	8	18,828	18,649
Trade and other receivables	9	16,063	3,339
Cash and cash equivalents	11	24,169	19,120
		59,060	41,108
Total assets		198,467	183,140
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	12	105,604	105,604
Accumulated losses		(187,752)	(108,129)
Deficit in shareholders' funds		(82,148)	(2,525)
Non-current liabilities			
Provision for staff end-of-service benefits	13	2,902	2,242
Current liabilities			
Trade and other payables	14	64,708	33,230
Amount due to a related party	10	213,005	150,193
		277,713	183,423
Total liabilities		280,615	185,665
Total liabilities less deficit		198,467	183,140

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the shareholders on 22 April 2018.

For **KAYA-BEDA JV**

DIRECTORS

KAYA-BEDA JV

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	1 April 2017 to 31 March 2018 KWD	27 January 2016 to 31 March 2017 (Note 21) KWD
Revenue	16	157,190	133,918
Cost of material consumed		(21,478)	(30,561)
Gross profit		135,712	103,357
Other operating income	17	241	--
Staff costs	18	(78,058)	(78,365)
Depreciation		(24,733)	(21,407)
Other operating expenses	19	(112,785)	(111,714)
LOSS FOR THE YEAR/PERIOD		(79,623)	(108,129)
Other comprehensive income:			
Other comprehensive income for the year/period		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		(79,623)	(108,129)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

KAYA-BEDA JV

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital KWD	Accumulated losses KWD	Total KWD
Issue of share capital	105,604	--	105,604
Total comprehensive income for the period	--	(108,129)	(108,129)
Balance at 31 March 2017	105,604	(108,129)	(2,525)
Total comprehensive income for the year	--	(79,623)	(79,623)
Balance at 31 March 2018	**105,604**	**(187,752)**	**(82,148)**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

KAYA-BEDA JV

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	1 April 2017 to 31 March 2018	27 January 2016 to 31 March 2017 (Note 21)
	KWD	KWD
Cash flows from operating activities		
Loss for the year/period	(79,623)	(108,129)
Adjustments for:		
Depreciation of property, plant and equipment	24,733	21,407
Provision for end-of-service benefits	740	2,242
	(54,150)	(84,480)
Increase in inventories	(179)	(18,649)
Increase in trade and other receivables	(12,724)	(3,339)
Increase in trade and other payables	31,478	33,230
Staff end-of-service benefits paid	(80)	--
Net cash used in operating activities	(35,655)	(73,238)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(15,873)	(163,439)
Payment for capital advances	(6,235)	--
Net cash used in investing activities	(22,108)	(163,439)
Cash flows from financing activities		
Issue of share capital	--	105,604
Receipts from a related party	62,812	150,193
Net cash from financing activities	62,812	255,797
Net increase in cash and cash equivalents	5,049	19,120
Cash and cash equivalents at the beginning of the year	19,120	--
Cash and cash equivalents at the end of the year/period	24,169	19,120

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA-BEDA JV** (the "JV") is a Joint Venture through an agreement entered on 27 January 2016 between the following parties:

- Al Beda Medical Services KSCC ("BMSC") (the interest in JV is 51%)
- Kaya Middle East DMCC ("KME") (the interest in JV is 49%)

The parties have agreed that the administration and technical aspects of the Skin Clinic shall be managed by KME and the financial management shall be managed by both parties on behalf of the JV.

b) The JV is managing and operating a Skin Clinic within premises of the main clinic under the Kaya Skin Clinic, Kuwait.

c) The ultimate parent company is Kaya Limited (the "ultimate parent company"), a company registered in India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2017.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the JV's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the JV or to cease operations or has no realistic alternative but to do so.

The JV incurred a loss of KWD 79,623 for the year ended 31 March 2018 and at that date; the JV's losses aggregated to KWD 187,752 and it had a net deficit of KWD 82,148 in equity funds. These events or conditions, indicate that a material uncertainty exist that may cast significant doubt on the JV's ability to continue as a going concern.

However, the ultimate parent company has agreed to continue with the operations of the JV and has agreed to provide continuing financial support to enable the JV to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

d) **Adoption of new International Financial Reporting Standards**

Standards and interpretations effective for the current year

The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the JV are as follows:

- Amendments to IAS 7 Disclosure Initiative

  The amendments require the disclosure that enable the users to evaluate the changes in liabilities arising from financing activities, including changes arising from cash flow and non cash changes.

New and revised IFRSs in issue but not yet effective

The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)

  IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)

  The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- Clarifications to IFRS 15: Revenue from Contracts with Customers (1 January 2018)

- IFRS 16: Leases (1 January 2019)

  IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

e) **Functional and presentation currency**

The financial statements are presented in Kuwaiti Dinars ("KWD") which is also the JV's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Plant and machinery	7 years
Furniture, fixtures and office equipment	3-7 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the JV and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the JV recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Impairment of tangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling price less any estimated cost of completion and disposal.

Finished goods are stated at lower of cost and net realizable value. Cost comprises of direct materials, labour and other attributable overheads.

d) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to employees at the reporting date in accordance with the local labour laws.

e) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the JV and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the JV has delivered the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the risks and rewards have been transferred to the customer and either the customer has accepted the product in accordance with the sales contract, the acceptance provision has lapsed or the JV has objective evidence that all criteria for acceptance have been satisfied.

Sale of services

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the services have been provided to the customer and the sessions under the package are utilised. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

f) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

Leases under which substantially all the risks and rewards of ownership pass to the JV are treated as finance leases and capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are allocated to the finance charge so as to achieve a constant rate of return on the outstanding balance, and charged to profit or loss and to the repayment of the lease liability.

Payments made for entering into operating leases for land and buildings that fall within the classification of investment property are treated as if they were finance leases and accounted as investment properties.

g) **Foreign currency transactions**

Transactions in foreign currencies are translated into Kuwaiti Dinars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into Kuwaiti Dinars at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

h) **Provisions**

A provision is recognized when the JV has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

i) **Taxes**

The JV is subject to corporate income tax in the state of Kuwait.

j) **Financial Instruments**

Financial assets and financial liabilities are recognised when, and only when, the JV becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Trade and other receivables

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value net of temporary bank overdrafts.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the JV.

Impairment of financial assets

All financial assets are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

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

k) **Fair value measurement**

The JV discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, intangible assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that 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:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the JV's inventory, stated at KWD 18,828 (previous period KWD 18,649) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the JV either from third parties, (see note 9) or from related parties (see note 10) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment, and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

In calculating the net present value of the future cash flows, the management has made certain estimates. The key assumptions on which the management has based its cash flow projections when determining the recoverable amount of the assets are as follows:

- Management projections have been prepared on the basis of strategic plans, knowledge of market and management's view of achievable growth in the market share over a long-term period of six years.
- The discount rate applied to cash flows are based on the JV's weighted average cost of capital with a risk premium reflecting the relative risks in the market in which the JV operates.
- Year on year growth rate assumption are based on a conservative view of the long-term rate of growth.
- No capital expenditure is expected to be incurred on the existing clinic.

Staff end-of-service benefits

The JV computes the provision for the liability to staff end-of-service benefits stated at KWD 2,902 (previous period KWD 2,242), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress	Plant and machinery	Furniture, fixtures and office equipment	Total
	KWD	KWD	KWD	KWD
Cost				
Additions	2,965	124,018	36,456	163,439
At 31 March 2017	2,965	124,018	36,456	163,439
Additions	--	6,376	9,497	15,873
Transfers	(2,965)	--	2,965	--
At 31 March 2018	--	**130,394**	**48,918**	**179,312**
Accumulated depreciation				
Depreciation	--	20,410	997	21,407
As at 31 March 2017	--	20,410	997	21,407
Depreciation	--	18,473	6,260	24,733
At 31 March 2018	--	**38,883**	**7,257**	**46,140**
Carrying amount				
At 31 March 2017	2,965	103,608	35,459	142,032
At 31 March 2018	--	**91,511**	**41,661**	**133,172**

7. CAPITAL ADVANCE

This represents advances paid against development and renovation of the clinic.

		2018	2017
		KWD	KWD
8.	**INVENTORIES**		
	Consumables	**18,828**	18,649
9.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**1,905**	1,339
	Advances	**14,158**	2,000
		16,063	3,339

At the reporting date, there are no trade receivables that are not past due but not impaired.

At the reporting date, there are no trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovering.

At the reporting date, the entire trade receivables are not past due and not impaired.

The JV does not hold any collateral against trade receivable.

10. RELATED PARTIES

The JV enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise parent and ultimate parent company, companies under common ownership and/or common management control, shareholders, directors and key management personnel.

At the reporting date, significant balances with related parties were as follows:

	Parent company	Other related parties	Total 2018	Total 2017 (Note 21)
	KWD	KWD	KWD	KWD
Included in trade and other payables	--	1,453	**1,453**	
	--	--		--
Amount due to a related party	213,005	--	**213,005**	
	150,193	--		150,193

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 20.

Significant transactions with related parties during the year were as follows:

	Parent company	Total 2018	Total 2017 (Note 21)
	KWD	KWD	KWD
Recharge of expenses	16,734	16,734	
	--		--
Management fees payable	25,093	25,093	
	--		--
Stock transfer	3,099	3,099	
	--		--

The JV also receives funds from/provides funds to related parties as working capital facilities, a part of which is at fixed rate of interest.

		2018	2017 (Note 21)
		KWD	KWD
11.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	420	341
	Current accounts	23,749	18,779
		24,169	19,120

12. **SHARE CAPITAL**

The authorised, issued and paid up capital of the JV was KWD 105,604 divided equally between the parties.

		2018	2017
13.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	At 1 April	2,242	--
	Provision for the year/period	740	2,242
	Paid during the year	(80)	--
	At 31 March	2,902	2,242

		2018	2017
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	37,599	23,921
	Capital creditors	5,986	--
	Advance received from customers	9,016	4,964
	Accruals	1,023	4,345
	Other payables	11,084	--
		64,708	33,230

15. MANAGEMENT OF CAPITAL

The JV's objectives when managing capital are to ensure that the JV continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position, together with amounts due to/due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The JV is not exposed to any externally imposed capital requirements.

Funds generated from internal accruals together with funds received from related parties net of funds provided to a related party are retained in the business according to the business requirements and to maintain capital at desired levels.

		1 April 2017 to 31 March 2018 KWD	27 January 2016 to 31 March 2017 (Note 21) KWD
16.	**REVENUE**		
	Product sales	12,319	6,494
	Service sales	144,871	127,424
		157,190	133,918
17.	**OTHER OPERATING INCOME**		
	Miscellaneous income	241	--
18.	**STAFF COSTS**		
	Staff salaries and benefits	77,318	76,123
	Staff end-of-service benefits	740	2,242
		78,058	78,365
19.	**OTHER OPERATING EXPENSES**		
	Operating lease expenses	38,100	42,198
	Advertisement	17,176	13,799
	Legal and professional charges	35,917	29,205
	Other expenses	21,592	26,512
		112,785	111,714

20. FINANCIAL INSTRUMENTS

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At amortised cost	
	2018	2017	2018	2017
	KWD	KWD	KWD	KWD
Trade and other receivables	3,905	3,339	--	--
Cash and cash equivalents	24,169	19,120	--	--
Trade and other payables	--	--	53,624	33,230
Amount due to a related party	--	--	213,005	150,193
	28,074	22,459	266,629	183,423

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the JV to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amounts due from related parties.

The JV's bank accounts are placed with high credit quality financial institutions.

Trade and other receivables are stated net of the allowance for doubtful recoveries.

At the reporting date, there is no significant concentration of credit risk from trade receivables (previous year Nil).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the JV's customers are from diverse industries.

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in Kuwaiti Dinar.

Interest rate risk

Reasonably possible changes to interest rates at the reporting date are unlikely to have had a significant impact on profit or equity.

Fair values

The 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 values of the JV's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

21. COMPARATIVE INFORMATION

The previous accounting period was from 27 January 2016 (date of incorporation) to 31 March 2017 and therefore the comparative financial information is not entirely comparable.

KME HOLDINGS PTE. LTD.

(UEN: 201328294H)

(Incorporated in Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2018

KME HOLDINGS PTE. LTD.

(UEN: 201328294H)

(Incorporated in Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2018

The directors present their statement to the members together with the audited financial statements of KME Holdings Pte. Ltd. (the "Company") for the financial year ended 31 March 2018.

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Nair Rajiv Chandrashekaran	(Appointed on 2 May 2017)
Rohit Sen	
Duggal Naveen	(Appointed on 27 December 2017)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, the directors of the Company who held office at the end of the financial year had no interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, Robert Yam & Co., has expressed its willingness to accept re-appointment.

On Behalf of the Board of Directors:

Nair Rajiv Chandrashekaran
Director

Duggal Naveen
Director

3 1 MAY 2018

To the members of KME HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KME Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

190 Middle Road #16-01/02/03
Fortune Centre
Singapore 188979
Website: www.robertyamco.com.sg

Telephone: (65) 6338 1133 (6 lines)
Fax: (65) 6339 3409 (Audit)
Fax: (65) 6339 3385 (Tax & Account)
e-mail: audit@robertyamco.com.sg

GGi
Geneva Group International
A worldwide alliance of independent professional firms
Independent Member

To the members of KME HOLDINGS PTE. LTD. (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.

To the members of KME HOLDINGS PTE. LTD. (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

We communicate with the directors 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

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Robert Yam & Co.
Public Accountants and
Chartered Accountants
Singapore

31 May 2018

RY_DCC/WH/rbm

Statement of Financial Position
As at 31 March 2018

	Note	2018 S$	2017 S$
ASSETS			
Non-current assets			
Investment in a subsidiary	4	19,418,394	8,780,097
Current assets			
Cash and cash equivalents	5	938	7,514
Total assets		19,419,332	8,787,611
EQUITY AND LIABILITIES			
Equity			
Share capital	6	19,480,707	8,842,410
Accumulated losses		(1,125,883)	(1,183,250)
Total equity		18,354,824	7,659,160
Non-current liabilities			
Loan from a subsidiary	8	1,051,360	1,118,240
Current liabilities			
Other payables	7	13,148	10,211
Net current liabilities		(12,210)	(2,697)
Total liabilities		1,064,508	1,128,451
Net assets		18,354,824	7,659,160
Total equity and liabilities		19,419,332	8,787,611

The accompanying notes to the financial statements form an integral part of the financial statements.

Statement of Comprehensive Income
For the financial year ended 31 March 2018

	Note	2018 S$	2017 S$
Revenue		-	-
Other income	9	68,880	-
Other operating expenses	10	(11,513)	(116,301)
Profit/(loss) before income tax		57,367	(116,301)
Income tax expense	11	-	-
Net profit/(loss), representing total comprehensive income for the year		57,367	(116,301)

Statement of Changes in Equity
For the financial year ended 31 March 2018

	Share capital S$	Accumulated losses S$	Total equity S$
Balance at 1 April 2016	8,842,410	(1,066,949)	7,775,461
Net loss, representing total comprehensive income for the year	-	(116,301)	(116,301)
Balance at 31 March 2017	8,842,410	(1,183,250)	7,659,160
Net profit, representing total comprehensive income for the year	-	57,367	57,367
Issue of ordinary shares (Note 6)	10,638,297	-	10,638,297
Balance at 31 March 2018	19,480,707	(1,125,883)	18,354,824

The accompanying notes to the financial statements form an integral part of the financial statements.

Statement of Cash Flows
For the financial year ended 31 March 2018

	Note	2018 S$	2017 S$
Cash flows from operating activities:			
Profit/(loss) before income tax		57,367	(116,301)
Changes in working capital:			
Other payables		2,937	309
Net cash from/(used in) operating activities		60,304	(115,992)
Cash flows from investing activity:			
Addition to investment in a subsidiary		(10,638,297)	-
Net cash used in investing activity		(10,638,297)	-
Cash flows from financing activities:			
Proceeds from issuance of ordinary shares		10,638,297	-
Proceeds from loan from a subsidiary		(66,880)	109,943
Net cash from financing activities		10,571,417	109,943
Net decrease in cash and cash equivalents		(6,576)	(6,049)
Cash and cash equivalents at beginning of year		7,514	13,563
Cash and cash equivalents at end of year	5	938	7,514

The accompanying notes to the financial statements form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information

KME Holdings Pte. Ltd. (the "Company") is a limited liability private company which is incorporated and domiciled in Singapore.

Its registered office is located at 8 Temasek Boulevard, #22-04 Suntec Tower Three, Singapore 038988.

The immediate holding company is Kaya Limited, which is incorporated in India. The ultimate holding company is MaKE Limited, which is incorporated in India. The principal activity of the Company is that of investment holding.

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 31 May 2018.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The Company has adopted all the new and revised standards that are relevant to the Company and are effective for annual periods beginning on or after 1 April 2017. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.2 Going concern assumption

The Company current liabilities exceeded its current assets by S$12,210 (2017: $2,697). These factors indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. These financial statements are prepared on a going concern basis because the ultimate holding company has confirmed its intention to provide continuing financial support so that the Company is able to pay its debts as and when they fall due.

If the Company is unable to continue in operational existence in the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 Consolidation

The financial statements of the Company do not include consolidated financial statements of its group as required by Section 201 (3A) of the Companies Act, Cap. 50 and FRS 110 *Consolidated Financial Statements* as the ultimate holding company produces consolidated financial statements, which are available for public use. The consolidated financial statements of the ultimate holding company are available at 7th Floor Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai, India.

2. Significant accounting policies (cont'd)

2.4 Investment in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from the involvement with the investee and has the ability to affect those returns through the power over the investee.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

2.5 Impairment of non-financial assets

The Company assesses at each reporting period whether there is an indication that an asset may be impaired. If any indication exists or when an annual impairment test for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value-in-use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation are taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. Significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Significant accounting policies (cont'd)

2.7 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2. Significant accounting policies (cont'd)

2.9 Provisions (cont'd)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Company accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profits will be available against which the unused tax credit can be utilised.

2.11 Currency translation

The financial statements are presented in Singapore Dollars ("S$"), which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Non-monetary items that are measured in terms of 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.

3. Significant accounting judgments and estimates

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

3.1 Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management has made no judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at each end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of non-financial assets

Investment in a subsidiary is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company considers the guidance of FRS 36 in assessing whether there is any objective evidence or indication that an item of the above assets may be impaired. This assessment requires significant judgment.

If any such objective evidence or indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value-in-use.

In determining the value-in-use of assets, the Company applies a discounted cash flow model whereby the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flows are estimated based on financial budgets and forecasts approved by the management.

4. Investment in a subsidiary

	2018	2017
	S$	S$
Shares, at cost:		
Beginning of financial year	8,780,097	8,780,097
Additions	10,638,297	-
End of financial year	19,418,394	8,780,097

4. Investment in a subsidiary (cont'd)

Details of the subsidiary are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Cost of investment 2018 S$	Cost of investment 2017 S$	Percentage of equity held 2018 %	Percentage of equity held 2017 %
Held by the Company						
Kaya Middle East FZC (formerly known as Kaya Middle East FZE)	U. A. E.	Skin care and cosmetic products	19,418,394	8,780,097	100	100

5. Cash and cash equivalents

	2018 S$	2017 S$
Cash at bank	938	7,514

6. Share capital

	2018 No. of ordinary shares	2018 S$	2017 No. of ordinary shares	2017 S$
Issued and fully paid				
Beginning of financial year	8,842,410	8,842,410	8,842,410	8,842,410
Shares issued	10,638,297	10,638,297	-	-
End of financial year	19,480,707	19,480,707	8,842,410	8,842,410

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The Company has one class of ordinary shares which carry one vote per share without restriction. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company.

During the financial year, the Company issued additional 10,638,297 ordinary shares for a total cash consideration of S$10,638,297 to its immediate holding company for provide additional working capital. The newly issued shares rank pari passu in all respects with the previously issued shares.

7. Other payables

	2018 S$	2017 S$
Accruals	4,700	3,500
Amount due to non-related parties	8,448	6,711
	13,148	10,211

Amount due to non-related parties are unsecured, non-interest bearing and are repayable on demand.

8. Loan from a subsidiary

	2018 S$	2017 S$
Loan from a subsidiary	1,051,360	1,118,240

Loan from subsidiary are unsecured, non-interest bearing with no fixed terms of repayment. The loans are not expected to be repaid within the next twelve months from the end of the reporting period. Fair value information has not been disclosed for loan from subsidiary because fair value cannot be measured reliably as the loans have no fixed terms of repayment.

Loan from subsidiary is denominated in United States Dollar.

9. Other income

	2018 S$	2017 S$
Foreign exchange gain	68,880	-

10. Other operating expenses

Other operating expenses included the following:

	2018 S$	2017 S$
Audit fee	4,700	3,938
Foreign exchange loss	-	109,942
Professional fee	6,431	2,201

11. Income tax expense

	2018 S$	2017 S$
Reconciliation of effective tax rate:		
Profit/(loss) before tax	57,367	(116,301)
Tax calculated at statutory tax rate of 17% (2017: 17%)	9,752	(19,771)
Expenses not deductible for tax purposes	1,957	19,771
Income not subject to tax	(11,709)	-
Income tax expense	-	-

12. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Note	2018 S$	2017 S$
Financial assets			
Loans and receivables:			
Cash and cash equivalents	5	938	7,514
Financial liabilities			
Financial liabilities measured at amortised cost:			
Current:			
Other payables	7	13,148	10,211
Loan from a subsidiary	8	1,051,360	1,118,240
		1,064,508	1,128,451

A description of the accounting policies for each category of financial instruments is disclosed in Note 2.6 (Financial instruments). A description of the Company's financial risk management objectives and policies for financial instruments is given in Note 13.

13. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, currency risk and liquidity risk.

The board of directors reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from cash and cash equivalents. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing only with high credit quality counterparties.

Credit risk refers to the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents. The Company minimises credit risk by dealing only with high credit quality counterparties.

13. Financial risk management (cont'd)

(a) Credit risk (cont'd)

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings.

Financial assets that are past due and/or impaired

The Company does not have any class of financial assets that are past due and/or impaired.

(b) Currency risk

Currency risk arises when transactions are denominated in foreign currencies. The Company transactional currency exposures arising from sales or purchases that are denominated in a currency other than SGD. The currencies giving rise to this risk is primarily United States Dollar (USD). At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

Sensitivity analysis for foreign currency risk

The following table demonstrates the effects arising from the net financial asset position to a reasonably possible change in the USD exchange rate against SGD, with all other variables including tax rate being held constant.

	2018 Profit after tax S$	2017 Loss after tax S$
USD/SGD – strengthened 5% (2017: 8%)	(43,548)	(74,251)
USD/SGD – weakened 5% (2017: 8%)	43,548	74,251

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The directors are satisfied that funds are available to finance the operations of the Company.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

13. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	1 year or less S$	Over 2 years S$	Total S$
2018			
Other payables	13,148	-	13,148
Loan from a subsidiary	-	1,051,360	1,051,360
	13,148	1,051,360	1,064,508
2017			
Other payables	10,211	-	10,211
Loan from a subsidiary	-	1,118,240	1,118,240
	10,211	1,118,240	1,128,451

14. Fair value of financial instruments

The carrying amounts of cash and cash equivalents, other payables and loan from subsidiary are reasonable approximation of fair values due to their short-term nature.

15. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Company consists of its share capital and accumulated losses as shown in the statement of financial position.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2018 and 2017. The Company's overall strategy remained unchanged from 2017.

16. New or revised accounting standards and interpretations

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 40 Transfers of Investment Property	1 Jan 2018
Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Improvements to FRSs (December 2016)	
Amendments to FRS 101 First-Time Adoption of Financial Reporting Standards	1 Jan 2018
Amendments to FRS 28 Investments in Associates and Joint Venture	1 Jan 2018
Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 Jan 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 109: Prepayment Features with Negative Compensation	1 Jan 2019
Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures	1 Jan 2019
INT FRS 123 Uncertainty over Income Tax Treatments	1 Jan 2019

The Company expects that the adoption of standards and interpretations above will have no material impact on the financial statements in the period of initial application.

The annexed detailed profit or loss account does not form part of the statutory accounts and therefore it is not covered by the independent auditor's report. It is not necessary to file the detailed profit or loss account with the Accounting & Corporate Regulatory Authority.

KME HOLDINGS PTE. LTD.

Detailed Trading and Profit and Loss Account
For the financial year ended 31 March 2018

	2018 S$	2017 S$
REVENUE	-	-
OTHER INCOME		
Foreign exchange gain	68,880	-
	68,880	-
Less: OPERATING EXPENSES		
Audit fee	4,700	3,938
Bank charges	382	220
Foreign exchange loss	-	109,942
Professional fees	6,431	2,201
	11,513	116,301
Profit for the year before tax	57,367	116,301