KAYA LIMITED
SUBSIDIARY FINANCIALS 2018-19

Index of Subsidiary Financials as on March 31, 2019	
Sr. No.	**Name of Subsidiary**
1.	KME Holdings Pte. Ltd.
2.	Kaya Middle East FZE
3.	Kaya Middle East DMCC
4.	Iris Medical Centre LLC
5.	Minal Medical Centre LLC
6.	Minal Specialised Clinic Dermatology LLC
7.	Kaya Al Beda JV

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

KME HOLDINGS PTE. LTD.

(UEN: 201328294H)

(Incorporated in Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2019

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(UEN: 201328294H)

(Incorporated in Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2019

The directors are pleased to 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 2019.

Opinion of the directors

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 2019 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
Chin Joek Poen (Appointed on 8 June 2018)

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 auditors

The auditors, Robert Yam & Co PAC, have expressed their willingness to accept re-appointment.

Nair Rajiv Chandrashekaran
Director

7 May 2019

Chin Joek Poen
Director

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 2019, 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 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 2019 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.

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 PAC
Public Accountants and
Chartered Accountants
Singapore

7 May 2019

RY_DCC/TWH/rbm

Statement of Financial Position
As at 31 March 2019

	Note	2019 S$	2018 S$
ASSETS			
Non-current assets			
Investment in a subsidiary	5	19,418,394	19,418,394
Current assets			
Cash and cash equivalents	6	7,098	938
Total assets		19,425,492	19,419,332
EQUITY AND LIABILITIES			
Equity			
Share capital	7	19,480,707	19,480,707
Accumulated losses		(1,188,764)	(1,125,883)
Total equity		18,291,943	18,354,824
Non-current liabilities			
Loan from a subsidiary	9	1,116,737	1,051,360
Current liabilities			
Other payables	8	16,812	13,148
Net current liabilities		(9,714)	(12,210)
Total liabilities		1,133,549	1,064,508
Net assets		18,291,943	18,354,824
Total equity and liabilities		19,425,492	19,419,332

The accompanying notes to the financial statements form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 March 2019

	Note	2019 S$	2018 S$
Other income	10	-	68,880
Other operating expenses	11	(62,881)	(11,513)
Profit before income tax		(62,881)	57,367
Income tax expense	12	-	-
Net (loss)/profit, representing total comprehensive income for the year		(62,881)	57,367

Statement of Changes in Equity
For the financial year ended 31 March 2019

	Share capital S$	Accumulated losses S$	Total equity S$
Balance at 1 April 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 7)	10,638,297	-	10,638,297
Balance at 31 March 2018	19,480,707	(1,125,883)	18,354,824
Net loss, representing total comprehensive income for the year	-	(62,881)	(62,881)
Balance at 31 March 2019	19,480,707	(1,188,764)	18,291,943

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 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities:			
(Loss)/profit before income tax		(62,881)	57,367
Changes in working capital:			
Other payables		3,664	2,937
Net cash from operating activities		(59,217)	60,304
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		65,377	(66,880)
Net cash from financing activities		65,377	10,571,417
Net increase/(decrease) in cash and cash equivalents		6,160	(6,576)
Cash and cash equivalents at beginning of year		938	7,514
Cash and cash equivalents at end of year	6	7,098	938

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 principal activity of the Company is that of investment holding.

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 7 May 2019.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related Interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

2.2 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Going concern

The Company's current liabilities exceeded its current assets by S$9,714 (2018: S$12,210) as at 31 March 2019. These factors indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern depends on the immediate holding company' undertaking to provide continuing financial support to pay its debts as and when they fall due.

2. Basis of preparation (cont'd)

2.4 Going concern (cont'd)

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge their 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.

2.5 Basis of presentation

Consolidated financial statements have not been presented as the Company is a wholly owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements. The address of the parent company presenting the Company financial statements is: Kaya Limited 23/C, 2nd Floor, Mahal Industrial Estate, Mahakali Caves Road, near Paper Box Lane, Andheri, Mumbai, India.

3. Significant accounting policies

3.1 Investment in subsidiary

A subsidiary is an entity that is controlled by the Company and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the Company controls another entity.

An investment in a subsidiary is accounted for at cost less impairment losses, if any. Impairment loss recognised in profit or loss for a subsidiary 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. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

3.2 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.

3. Significant accounting policies (cont'd)

3.2 Impairment of non-financial assets (cont'd)

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.

3.3 Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition, the financial asset or financial liability is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets

Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

3. Significant accounting policies (cont'd)

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

3.5 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.

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. Changes in estimates are reflected in profit or loss in the financial year they occur.

3.6 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 at 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:

(a) 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; and

(b) 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.

3. Significant accounting policies (cont'd)

3.7 Foreign currency

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. 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.

4. 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. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. 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.

Management is of the opinion that there is no significant judgment made in applying accounting policies in the current period.

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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.

5. Investment in a subsidiary

	2019 S$	2018 S$
Shares, at cost:		
Beginning of financial year	19,418,394	8,780,097
Additions	-	10,638,297
End of financial year	19,418,394	19,418,394

Details of the subsidiary are as follows:

Name of subsidiary	Country of Incorporation	Principal activities	Cost of investment 2019 S$	Cost of investment 2018 S$	Percentage of equity held 2019 %	Percentage of equity held 2018 %
Held by the Company						
Kaya Middle East FZE	U. A. E.	Skin care and cosmetic products	19,418,394	19,418,394	100	100

6. Cash and cash equivalents

	2019 S$	2018 S$
Cash at bank	7,098	938

7. Share capital

	2019 No. of ordinary shares	2019 S$	2018 No. of ordinary shares	2018 S$
Issued and fully paid				
Beginning of financial year	19,480,707	19,480,707	8,842,410	8,842,410
Shares issued	-	-	10,638,297	10,638,297
End of financial year	19,480,707	19,480,707	19,480,707	19,480,707

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.

In last 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.

8. Other payables

	2019 S$	2018 S$
Accruals	4,700	4,700
Amount due to non-related parties	12,112	8,448
	16,812	13,148

Amount due to non-related parties are unsecured, non-interest bearing and are repayable on demand.

9. Loan from a subsidiary

	2019 S$	2018 S$
Loan from a subsidiary	1,116,737	1,051,360

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.

10. Other income

	2019 S$	2018 S$
Foreign exchange gain	-	68,880

11. Other operating expenses

The following items have been included in arriving at other operating expenses:

	2019 S$	2018 S$
Audit fee	4,700	4,700
Foreign exchange loss	33,360	-
Professional fee	24,550	6,431

12. Income tax expense

	2019 S$	2018 S$
Reconciliation of effective tax rate:		
(Loss)/profit before tax	(62,881)	57,367
Tax calculated at statutory tax rate of 17% (2018: 17%)	(10,690)	9,752
Expenses not deductible for tax purposes	10,690	1,957
Income not subject to tax	-	(11,709)
Income tax expense	-	-

13. 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:

	2019 S$	2018 S$
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	7,098	938
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables	16,812	13,148
Loan from a subsidiary	1,116,737	1,051,360
	1,133,549	1,064,508

A description of the accounting policies for each category of financial instruments is disclosed in Note 3.3 (Financial Instruments). A description of the Company's financial risk management objectives and policies for financial instruments is given in Note 14.

14. 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.

14. Financial risk management (cont'd)

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.

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.

	2019 Loss after tax S$	2018 Profit after tax S$
USD/SGD – strengthened 5% (2018: 5%)	(45,016)	43,548
USD/SGD – weakened 5% (2018: 5%)	45,016	(43,548)

14. Financial risk management (cont'd)

(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.

	1 year or less S$	Over 1 year S$	Total S$
2019			
Other payables	16,812	-	16,812
Loan from a subsidiary	-	1,116,737	1,116,737
	16,812	1,116,737	1,133,549
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

15. Fair value of financial instruments

The carrying amounts of cash and cash equivalents and other payables are reasonable approximation of fair values due to their short-term nature.

16. 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 2019 and 2018. The Company's overall strategy remained unchanged from 2018.

17. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Company are listed below. Those applicable new or revised standards did not require any significant modification of the measurement method or the presentation in the financial statements.

SFRS No.	Title
SFRS 109	Financial Instruments

18. New standards and interpretations not yet adopted

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. None of these are applicable to the Company based on the Company's current operations.

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 2019

	2019 S$	2018 S$
OTHER INCOME		
Foreign exchange gain	-	68,880
	-	68,880
Less: OPERATING EXPENSES		
Audit fee	4,700	4,700
Bank charges	270	382
Foreign exchange loss	33,360	-
Professional fees	24,551	6,431
	62,881	11,513
(Loss)/profit for the year before tax	(62,881)	57,367

KAYA MIDDLE EAST FZE

(previously known as KAYA MIDDLE EAST FZC)

Financial statements and independent auditor's report

Year ended 31 March 2019

KAYA MIDDLE EAST FZE

(previously known as KAYA MIDDLE EAST FZC)

Financial statements and independent auditor's report
Year ended 31 March 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of **KAYA MIDDLE EAST FZE (previously known as KAYA MIDDLE EAST FZC)** (the "Establishment") which comprise the statement of financial position as at 31 March 2019, 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 Establishment as at 31 March 2019, 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 Establishment 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.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matter**
Revenue	
The Company has adopted IFRS 15 at 1 April 2018 using the modified retrospective application with the cumulative effect of initially applying the standard adjusted in the opening retained earnings. Therefore, the comparative financial information has not been restated.	We have: • Reviewed the Company's implementation of IFRS 15, including the recognition of effect on opening equity and changes to accounting guidelines and disclosures to support correct revenue recognition. • Reviewed the accounting policy, the effect on opening equity and disclosures including the key accounting estimates and judgments made by the management.

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PKF Accountants & business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matter
Impairment of tangible and intangible assets	
Further, the Company provides services in bundled packages. The revenue relating to package sales is recognized when the related services are provided. Consequently, amounts collected in advance were recognized as "Contract liabilities". Determining the deferred revenue for the year can be complex, especially where the calculation involves significant judgement and high degree of manual preparation. We have determined revenue to be key audit mater due to the estimates and judgement involved in the application of the revenue standard and the degree of manual preparation involved in the computation of deferred revenue.	We have: • Obtained an understanding of the revenue process including performing an end-to-end walkthrough and identification of the relevant controls. • Independently assessed the judgements made by the management. • For a sample of customers, recalculated deferred revenue for the period and verified the calculation to underlying appointment records and entries in the sales register.
As at 31 March 2019, the company has significant investment in tangible and intangible assets. The company had incurred losses in the previous and current year. As such there re indicators that these assets may be impaired. The assessment of impairment involves application of significant judgement and hence the matter has been considered as a key audit matter.	We have: • Reviewed the conditions as at reporting date to identify if indicators of impairment exist. Based on the current market conditions, impairment indicators were identified. • Obtained the value in use calculations and evaluated the reasonableness of the key inputs to these calculations considering our knowledge of the business. • Considered the adequacy of the disclosures in relation to impairment of property plant and equipment.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (c) in the financial statements which states that, the Establishment incurred a loss of AED 488,402 for the year ended 31 March 2019 and at that date, the Establishment's losses aggregated to AED 35,534,584. As stated in Note 2 (c), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Establishment's ability to continue as a going concern.

However, the ultimate parent company has agreed to continue with the operations of the Establishment and has agreed to provide continuing financial support to enable the Establishment 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.

AUDITORS PKF U.A.E.

continued...

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 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 Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment'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 Establishment'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 Establishment'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 Establishment to cease to continue as a going concern.

continued...

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 stated in Note 21 to the financial statements, the net assets of the Establishment 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**

PKF

S. D. PEREIRA
Partner
Auditor registration no. 552
Sharjah
United Arab Emirates
2 May 2019

AUDITORS
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KAYA MIDDLE EAST FZE

(previously known as KAYA MIDDLE EAST FZC)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 AED	2018 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	26,069,007	17,956,506
Intangible assets	7	2,099,879	2,235,404
Non-current assets	8	369,004	1,803,444
		28,537,890	21,995,354
Current assets			
Inventories	9	4,191,806	4,771,090
Trade and other receivables	10	4,358,441	4,466,783
Other current assets	11	8,022,379	9,112,757
Amounts due from related parties	12	17,946,939	33,162,847
Cash and cash equivalents	13	4,691,590	3,203,628
Other current financial assets	14	50,000	50,000
		39,261,155	54,767,105
Total assets		67,799,045	76,762,459
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	15	55,600,000	55,600,000
Capital reserve		4,577,103	4,302,793
Share based payment reserve		--	--
Accumulated losses		(35,534,584)	(26,871,060)
Total shareholders' funds		24,642,519	33,031,733
Non-current liabilities			
Long-term borrowings	16	--	4,704,700
Provision for end-of-service benefits	17	4,361,466	4,653,004
		4,361,466	9,357,704
Current liabilities			
Bank borrowings	18	4,747,017	6,048,203
Trade and other payables	19	10,301,747	9,696,569
Other current liabilities	20	22,774,668	17,444,715
Amount due to a related party	12	971,628	1,183,535
		38,795,060	34,373,022
Total liabilities		43,156,526	43,730,726
Total equity and liabilities		67,799,045	76,762,459

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 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 shareholders on 26 April 2019 and signed on their behalf by Mr. Vikas Agarwal

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

Vikas

DIRECTOR

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KAYA MIDDLE EAST FZE

(previously known as KAYA MIDDLE EAST FZC)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 AED	2018 AED
Revenue from contract with customers	22	**100,111,103**	98,741,669
Purchase of inventories		**(14,580,101)**	(15,681,208)
Changes in inventories		**(898,956)**	96,325
Gross profit		**84,632,046**	83,156,786
Other operating income	23	**1,549**	4,296
Staff costs	24	**(42,500,170)**	(50,938,475)
Depreciation and amortisation	25	**(5,488,264)**	(4,579,180)
Other operating expenses	26	**(36,336,712)**	(34,480,279)
Interest income	27	**110,295**	192,134
Finance costs	28	**(907,146)**	(87,925)
LOSS FOR THE YEAR		**(488,402)**	(6,732,643)
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(488,402)**	(6,732,643)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 4.

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KAYA MIDDLE EAST FZE

(previously known as KAYA MIDDLE EAST FZC)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Share based payment reserve	Capital reserve	Accumulated losses	Total
	AED	AED	AED	AED	AED
Balance at 1 April 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	--	(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
Change in accounting policy (note 2(d))	--	--	--	(8,175,122)	(8,175,122)
Balance at 1 April 2018	55,600,000	--	4,302,793	(35,046,182)	24,856,611
Total comprehensive income for the year	--	--	--	(488,402)	(488,402)
Transfers	--	--	274,310	--	274,310
Balance at 31 March 2019	**55,600,000**	--	**4,577,103**	**(35,534,584)**	**24,642,519**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 4.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 AED	2018 AED
Cash flows from operating activities		
Loss for the year	**(488,402)**	(6,732,643)
Adjustments for:		
Depreciation of property, plant and equipment	**5,352,739**	4,475,562
Amortisation of intangible assets	**135,525**	103,618
Movement in share-based payment reserve	**--**	(274,310)
Interest income	**(110,295)**	(192,134)
Finance costs	**907,146**	87,925
Provision for slow moving inventory written off	**(187,497)**	(1,915)
Provision against expired goods	**72,494**	300,986
Loss on disposal of property, plant and equipment	**2,125**	7,664
Gain on disposal of property, plant and equipment	**--**	(1,956)
Provision for end-of-service benefits	**814,168**	1,096,318
Provision for employee stock option plan	**274,310**	4,302,793
	6,772,313	3,171,908
Changes in:		
- Inventories	**694,287**	3,665,101
- Trade and other receivables	**108,342**	(88,522)
- Other current assets	**1,090,378**	(864,932)
- Trade and other payables	**(7,569,944)**	(1,122,528)
- Other current liabilities	**5,329,953**	2,234,400
Staff end-of-service benefits paid	**(1,105,706)**	(695,626)
Cash generated from operating activities	**5,319,623**	6,299,801
Interest paid	**(907,146)**	(87,925)
Net cash generated from operating activities	**4,412,477**	6,211,876
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	**(13,475,879)**	(7,547,685)
Proceed from disposal of property, plant and equipment	**8,514**	1,956
Payments for intangible asset	**--**	(356,752)
Decrease in capital advance	**1,434,440**	524,490
Receipts from a related party	**15,215,908**	3,699,366
Interest received	**110,295**	192,134
Net cash from/(used in) investing activities	**3,293,278**	(3,486,491)
Cash flows from financing activities		
Issue of share capital	**--**	550,000
Payment of bank overdraft	**51,186**	--
Payment of bank loan	**(6,005,886)**	(5,980,847)
Payments to a related party	**(211,907)**	(365,763)
Net cash used in financing activities	**(6,166,607)**	(5,796,610)
Net increase/(decrease) in cash and cash equivalents	**1,539,148**	(3,071,225)
Cash and cash equivalents at the beginning of the year	**3,152,442**	6,223,667
Cash and cash equivalents at the end of the year	**4,691,590**	3,152,442
Cash and cash equivalents comprise		
Cash and cash equivalents (note 13)	**4,691,590**	3,203,628
Bank overdraft (note 18)	**--**	(51,186)
	4,691,590	3,152,442

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

The report of the independent auditor is set forth on pages 1 to 4.

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1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA MIDDLE EAST FZE** (previously known as Kaya Middle East FZC) (the "Establishment") is a Free Zone Establishment 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 29 April 2018, the status of the Establishment was changed to a free zone establishment from free zone company consequent to the transfer of shares and amendment to the Memorandum of Association. Consequently, the name of the Establishment was changed from Kaya Middle East FZC to Kaya Middle East FZE.

b) The Establishment 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 Establishment 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 2018, 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.

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

The Establishment incurred a loss of AED 488,402 for the year ended 31 March 2019 and at that date, the Establishment's losses aggregated to AED 35,534,584. These events or conditions, indicate that a material uncertainty exist that may cast significant doubt on the Establishment's ability to continue as a going concern.

However, the ultimate parent company has agreed to continue with the operations of the Establishment and has agreed to provide continuing financial support to enable the Establishment 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 period

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

- IFRS 9: Financial instruments
- IFRS 15: Revenue from Contracts with Customers

The impact of adoption of these standards and the new accounting policies are explained below in more detail:

IFRS 9: Financial instruments

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements for the year ended 31 March 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

Changes in accounting policies resulting from the adoption of IFRS 9 have not resulted in any material impact on opening balances of retained earnings or equity as of 1 April 2018.

(i) Classification and measurement

On the date of initial application of IFRS 9, i.e. 1 April 2018, the Establishment's management has assessed which business models apply to the financial assets held by the Establishment and has classified its financial instruments into the appropriate IFRS 9 categories. Management has concluded that there is no material reclassification of financial assets other than disclosed below.

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Financial assets	Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	Loans and receivables	Amortised cost
Other financial assets	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

The adoption of IFRS 9 has not resulted in any change in classification or measurement of financial liabilities.

(ii) Impairment of financial assets
The Establishment has the following types of financial assets that are subject to IFRS 9's new Expected Credit Loss (ECL) model:

- Trade and other receivables
- Due from related parties
- Other financial assets
- Cash and cash equivalents

For trade receivables, the Establishment has applied simplified approach permitted by IFRS 9. Further, the simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected losses, trade receivables have been grouped based on credit risk characteristics and past dues. The impact of adoption of new ECL model was immaterial.

For other financial assets, cash and cash equivalents and other receivables, the Establishment has applied 12-month ECL model and the identified impairment loss was immaterial.

IFRS 9 accounting policies
The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (m) to the financial statements under significant accounting policies.

IFRS 15: Revenue from contracts with customers
Impact of adoption
IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to customers.

The standard requires the Establishment to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining contract and the costs directly related to fulfilling a contract.

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The Establishment has adopted IFRS 15 using the cumulative effect method (without practical expedients), in which the effect of initially applying this standard are recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. The significant changes and quantitative impact of the changes are as follows.

Package sales

For package sales, the Establishment recognised a portion of revenue limited to the amounts that was not contingent on provision of future services. Under IFRS 15, the total consideration in the contract is allocated to all products and services based on their standalone selling price.

The following table summarises the impact of adopting IFRS 15 on the financial statements of the Establishment:

Statement of financial position (extract)	31 March 2018 (Reported under IAS 18) AED	Adoption of IFRS 15 AED	1 April 2018 (Restated under IFRS 15) AED
Current liabilities			
Contracts liabilities	--	8,175,122	8,175,122
Equity			
Retained earnings	(26,871,060)	(8,175,122)	(35,046,182)
	(26,871,060)	--	(26,871,060)

(a) The contract liabilities relate to the advance consideration received from customers for packages for which revenue will be recognised on provision of services in future.

IFRS 15 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (g) to the financial statements under significant accounting policies.

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 16: Leases (1 January 2019)

  IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases – Initiatives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Under this revised guidance, leases will be brought onto the lessee's statement of financial position, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test.

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The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

The above standard is currently being assessed by the management to determine any material impact on the financial statements.

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Establishment'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, of plant and machinery and furniture, fixture and office equiments 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 Establishment 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 Establishment 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.

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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 Establishment 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 Establishment'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.

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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 recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised 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 realisable 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 from contracts with customers**

The Establishment 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.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Establishment expects to be entitled in exchange for those goods or services.

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Establishment has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Provision of services
The Establishment provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Establishment allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

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The Establishment has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

h) **Contract liabilities**

A contract liability is the obligation to provide services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

i) **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 Establishment 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.

j) **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.

k) **Provisions**

A provision is recognised when the Establishment 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.

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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, it's 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.

l) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from 1 January 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 Establishment is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

m) **Financial instruments**

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Classification

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets depends on the Establishment's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVTPL or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.

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Recognition

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Establishment commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Establishment may irrevocably elect to subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Establishment may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

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1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost comprise of current/non-current borrowings, trade and other payables and amounts due to related parties.

Impairment of financial assets
IFRS 9 Replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than IAS 39.

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

The financial assets at amortised cost comprise of trade and receivables, amounts due from related parties, other financial assets, cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Establishment measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, amounts due from related parties, other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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The Establishment has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. The Establishment applies a simplified approach in calculating expected credit losses. The Establishment does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Establishment has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Establishment considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Establishment's historical experience and informed credit assessment and including forward looking information.

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Establishment considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Establishment in full, without recourse by the Establishment to actions such as realising security (if any is held)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Establishment is exposed to credit risk.

At each reporting date, the Establishment assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

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.

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

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

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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:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Establishment's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, intangible assets and investment property 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.

The Establishment applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognized over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Establishment concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

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The Establishment concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

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 Establishment's inventory, stated at AED 4,380,367 (previous year AED 5,074,654) 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.

Fair value of financial assets

The fair values of financial instruments that are not traded on an active market are determined using valuation techniques. The Establishment uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 4,361,466 (previous year AED 4,653,004), assuming that all employees were to leave as of the reporting date and is based on the local labour laws.

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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 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
Additions	121,717	3,286,063	10,068,099	--	13,475,879
Disposals	--	(403,656)	(978,053)	(39,161)	(1,420,870)
Transfers	(431,927)	7,400	424,527	--	--
At 31 March 2019	**313**	**33,837,794**	**32,831,745**	**195,742**	**66,865,594**
Accumulated depreciation and impairment losses					
At 1 April 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)
As at 31 March 2018	--	19,142,576	17,573,888	137,615	36,854,079
Depreciation	--	2,902,163	2,410,400	40,176	5,352,739
Adjustment relating to disposal	--	(1,020,859)	(359,349)	(30,023)	(1,410,231)
At 31 March 2019	--	**21,023,880**	**19,624,939**	**147,768**	**40,796,587**
Carrying amount					
At 1 April 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
At 31 March 2019	**313**	**12,813,914**	**13,206,806**	**47,974**	**26,069,007**

(a) Capital work-in-progress, at the year end, represents amount paid for a bio-metric attendance machine.

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7. INTANGIBLE ASSETS

	Computer software AED	Goodwill[(a)] AED	Total AED
Cost			
As at 1 April 2017 and 31 March 2018	948,391	1,496,312	2,444,703
Additions	--	--	--
At 31 March 2019	**948,391**	**1,496,312**	**2,444,703**
Accumulated amortisation			
At 1 April 2017	105,681	--	105,681
Amortisation	103,618	--	103,618
At 31 March 2018	209,299	--	209,299
Amortisation	135,525	--	135,525
At 31 March 2019	**344,824**	--	**344,824**
Carrying amount			
At 1 April 2017	842,710	1,496,312	2,339,022
At 31 March 2018	739,092	1,496,312	2,235,404
At 31 March 2019	**603,567**	**1,496,312**	**2,099,879**

(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. NON-CURRENT ASSETS

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

9. INVENTORIES

	2019 AED	2018 AED
Consumables	**4,380,367**	5,074,654
Less: provision for slow moving and expired inventories	**(188,561)**	(303,564)
	4,191,806	4,771,090

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

	2019 AED	2018 AED
Opening balance	**303,564**	4,493
Provisions made during the year	**72,494**	300,986
Inventories written off	**(187,497)**	(1,915)
Closing balance	**188,561**	303,564

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	2019 AED	2018 AED
10. TRADE AND OTHER RECEIVABLES		
Trade receivables	**343,970**	610,602
Deposits	**2,685,248**	2,529,089
Other receivables	**1,329,223**	1,327,092
	4,358,441	4,466,783

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 Establishment does not hold any collateral against trade receivable.

11. OTHER CURRENT ASSETS

	2019 AED	2018 AED
Prepayments	**5,423,892**	6,131,761
Advance for goods and services	**2,598,487**	2,980,996
	8,022,379	9,112,757

12. RELATED PARTIES

The Establishment 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 2019 AED	Total 2018 AED
Included in trade and other receivables	--	--	--	8,591	**8,591**	
	--	--	--	133,825		133,825
Amount due from related parties	--	3,030,656	14,916,283	--	**17,946,939**	
	--	2,941,767	30,221,080	--		33,162,847
Amount due to a related party	971,628	--	--	--	**971,628**	
	1,183,535	--	--	--		1,183,535

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All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 29.

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

	Ultimate parent company AED	Fellow subsidiaries AED	Key management personnel AED	Total 2019 AED	Total 2018 AED
Revenue	--	202,995	--	202,995	
	--	329,873	--		329,873
Recharge of expenses	745,847	--	--	745,847	
	862,929	--	--		862,929
Staff salaries	--	--	1,469,012	1,469,012	
	--	--	2,593,428		2,593,428
End of service benefits	--	--	37,241	37,241	
	--	--	59,423		59,423
Employee ESOP plan	--	--	23,680	23,680	
	--	--	4,810,690		4,810,690

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

	2019 AED	2018 AED
13. CASH AND CASH EQUIVALENTS		
Cash on hand	439,937	309,948
Current accounts	4,251,653	2,893,680
	4,691,590	3,203,628
14. 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 Establishment in the normal course of business (refer note 31).

15. SHARE CAPITAL		
Issued and paid up		
55,600 shares of AED 1,000 each	55,600,000	55,600,000

The shareholders at 31 March 2019 and 31 March 2018 and their interest in share capital of the Establishment were as follows:

Name of the shareholders	As of 31.03.2019		As of 31.03.2018	
	No. of shares	AED	No. of shares	AED
KME Holding Pte Ltd.	55,060	55,060,000	55,050	55,050,000
Mr. Debashish Neogi	--	--	550	550,000
	55,060	55,060,000	55,600	55,600,000

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During the year, effective 29 April 2018, the status of the Establishment was changed to a free zone establishment from free zone company consequent to the transfer of shares and amendment to the Memorandum of Association. Consequently, the name of the Establishment was changed from Kaya Middle East FZC to Kaya Middle East FZE.

		2019 AED	2018 AED
16.	**LONG-TERM BORROWINGS**		
	Loan from Standard Chartered Bank	4,747,017	10,701,717
	Less: Current portion (note 18)	(4,747,017)	(5,997,017)
		--	4,704,700

Bank borrowings include loan of AED 271,667 taken in the name of a related party, Kaya Middle East DMCC. However, since the loan is utilised by the Establishment, the entire amount is booked in the books of the Establishment.

		2019 AED	2018 AED
17.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	At 1 April	4,653,004	4,252,312
	Provision for the year	814,168	1,096,318
	Paid during the year	(1,105,706)	(695,626)
	At 31 March	4,361,466	4,653,004
18.	**SHORT-TERM BORROWINGS**		
	Bank overdraft	--	51,186
	Current portion of long-term loans (note 16)	4,747,017	5,997,017
		4,747,017	6,048,203

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 Establishment.
- 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.

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A maturity analysis of total bank borrowings is as follows:

	2019	2018
	AED	AED
Overdrafts	--	51,586
1 – 3 months	1,499,254	1,499,254
3 months – 1 year	3,247,763	4,497,763
Presented as current liabilities (note 18)	4,747,017	6,048,603
1 year – 5 years (note 16)	--	4,704,700
Total	4,747,017	10,753,303

19. **TRADE AND OTHER PAYABLES**

Trade payables	8,282,431	8,271,940
Accruals	1,864,778	1,304,930
Other payables	154,538	119,699
	10,301,747	9,696,569

20. **OTHER CURRENT LIABILTIES**

Contract liabilities[(a)]	18,046,134	11,945,687
VAT Payable	349,264	1,128,280
Other liabilities	4,379,270	4,370,748
	22,774,668	17,444,715

(a) Contract liabilities relate to the advance consideration received from customers for package sales for which revenue will be recognised on provision of services in future.

The significant changes in contract liabilities balances during the period are as follows:

	2019
	AED
Opening balance	11,945,687
Revenue recognised against above	(91,093,513)
Additions during the year (including cash receipts)	89,018,838
Changes due to change in accounting policy (note 2 (d))	8,175,122
Closing balance	18,046,134

21. **MANAGEMENT OF CAPITAL**

The Establishment's objectives when managing capital are to ensure that the Establishment 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.

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The Establishment 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 Establishment 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 18.

22. REVENUE FROM CONTRACT WITH CUSTOMERS

The Establishment generates revenue from trading goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, customer type, and contract type is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

	2019 AED	2018 AED
Primary Geographical segments		
- UAE	**77,913,574**	78,833,822
- Other Middle east countries	**22,197,529**	19,907,847
	100,111,103	98,741,669
Major goods/service lines		
- Products	**9,017,590**	9,398,132
- Services	**91,093,513**	89,343,537
	100,111,103	98,741,669
Timing of revenue recognition		
- At a point in time	**9,017,590**	9,398,132
- Over period of time	**91,093,513**	89,343,537
	100,111,103	98,741,669

23. OTHER OPERATING INCOME

Profit on sale of property, plant and equipment.	--	1,956
Other miscellaneous income	**1,549**	2,340
	1,549	4,296

24. STAFF COSTS

Staff salaries and benefits	**41,662,322**	45,031,467
Staff end-of-service benefits	**814,168**	1,096,318
Employee Stock Option Plan (ESOP) expenses	**23,680**	4,810,690
	42,500,170	50,938,475

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		2019	2018
		AED	AED
25.	**DEPRECIATION AND AMORTISATION**		
	Depreciation of property, plant and equipment	5,352,739	4,475,562
	Amortisation of intangible assets	135,525	103,618
		5,488,264	4,579,180
26.	**OTHER OPERATING EXPENSES**		
	Loss on sale of property, plant and equipment	2,125	7,664
	Operating lease expenses	10,770,685	9,885,280
	Electricity and water expenses	812,998	714,301
	Repairs and maintenance	3,043,256	2,950,873
	Advertisement	5,685,808	5,983,773
	License fees	891,673	1,096,026
	Communication expenses	1,343,865	1,201,382
	Travelling expenses	3,329,964	3,189,267
	Bank charges	1,771,859	1,722,372
	Legal and professional charges	5,364,589	6,168,204
	Debit balances written off	1,719,938	--
	Other expenses	1,599,952	1,561,137
		36,336,712	34,480,279
27.	**INTEREST INCOME**		
	On bank deposits	107,601	186,834
	On staff loans	2,694	5,300
		110,295	192,134
28.	**FINANCE COSTS**		
	On bank loans and overdrafts	907,146	87,925

29. **FINANCIAL INSTRUMENTS**

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

At 31 March 2019	At amortised cost
Financial assets	AED
Trade and other receivables	4,358,441
Amount due from related parties	17,946,939
Cash and cash equivalents	4,691,590
Other financial assets	50,000
	27,046,970
Financial liabilities	
Current bank borrowings	4,747,017
Trade and other payables	10,301,747
Amount due to related party	971,628
	16,020,392

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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 Establishment to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amounts due from related parties.

The Establishment'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 Establishment'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.

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At the reporting date, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 47,470 higher or lower (previous year AED 107,017) resulting in equity being higher or lower by AED 47,470 (previous year AED 107,017).

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

		2019 AED	2018 AED
30.	**OPERATING LEASE COMMITMENTS**		
	Not later than one year	4,292,232	4,809,415
	Between one and five years	6,850,138	9,778,205
		11,142,370	14,587,620
31.	**CONTINGENT LIABILITIES**		
	Cash margin for clinic in Fujairah	50,000	50,000

The Establishment 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.

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

DIRECTOR

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KAYA MIDDLE EAST DMCC

Financial statements and independent auditor's report
Year ended 31 March 2019

KAYA MIDDLE EAST DMCC

Financial statements and independent auditor's report
Year ended 31 March 2019

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INDEPENDENT AUDITOR'S REPORT

To the shareholder 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 2019, 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 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matter**
Impairment of investments	
The company has 85% interest in Iris Medical Center LLC. During the year ended 31 March 2019, the subsidiary has incurred losses aggregating to AED 499,937 and its net assets as at that date were AED 1,335,196 as compared to the cost of investment of AED 4,118,936 thereby indicating that the investment may be impaired. The assessment of impairment involves application of significant judgement and hence the matter has been considered as a key audit matter.	We have: • Reviewed the conditions as at the reporting date to identify if indicators of impairment exist. Based on the conditions, impairment indicators were identified. • Obtained the value in use calculations and evaluated the reasonableness of the key inputs to these calculations considering our knowledge of the business. • We also considered the adequacy of the disclosures in relation to impairment of investment.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 4,720,102 for the year ended 31 March 2019 and at that date, the Company's losses aggregated to AED 4,452,346, its current liabilities exceed its current assets by AED 22,593,038 and it had a net deficit of AED 4,402,346 in equity funds. 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 shareholder 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.

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.

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:

continued...

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INDEPENDENT AUDITOR'S REPORT

(continued)

- 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.

- 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 2019

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KAYA MIDDLE EAST DMCC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 AED	2018 AED
Assets			
Non-current assets			
Property, plant and equipment	6	4,467,225	3,837,298
Investments	7	23,815,967	26,928,157
		28,283,192	30,765,455
Current assets			
Inventories	8	197,264	--
Deposits	9	33,000	33,000
Other current assets	10	31,806	33,669
Amounts due from related parties	11	--	2,560,594
Cash and cash equivalents	12	1,455,539	4,664,212
		1,717,609	7,291,475
Total assets		30,000,801	38,056,930
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	13	50,000	50,000
(Accumulated losses)/retained earnings		(4,452,346)	267,756
Total shareholder's funds		(4,402,346)	317,756
Non-current liabilities			
Long-term borrowings	14	10,092,500	2,936,000
Current liabilities			
Short-term borrowings	15	3,670,000	734,000
Trade and other payables	16	688,549	78,640
Amounts due to related parties	11	19,952,098	33,990,534
		24,310,647	34,803,174
Total liabilities		34,403,147	37,739,174
Total equity and liabilities		30,000,801	38,056,930

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 shareholder on 18 April 2019 and signed on their behalf by Mr. Vikas Agarwal

For **KAYA MIDDLE EAST DMCC**

DIRECTORS

DUBAI - U.A.E.

AUDITORS PKF U.A.E.

KAYA MIDDLE EAST DMCC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 AED	2018 AED
Purchases		197,264	--
Changes in inventories		(197,264)	--
Gross Profit		--	--
Dividend income		1,575,000	2,174,653
Other operating income	18	189,417	539,042
Depreciation		(345,216)	(343,078)
Provision for impairment	19	(5,153,618)	--
Other operating expenses		(238,198)	(255,465)
Finance costs	20	(747,487)	(768,916)
(LOSS)/PROFIT FOR THE YEAR		(4,720,102)	1,346,236
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(4,720,102)	1,346,236

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.

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KAYA MIDDLE EAST DMCC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital AED	Retained earnings /(accumulated losses) AED	Total AED
Balance at 1 April 2017	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
Total comprehensive income for the year	--	(4,720,102)	(4,720,102)
Balance at 31 March 2019	**50,000**	**(4,452,346)**	**(4,402,346)**

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.

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KAYA MIDDLE EAST DMCC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 AED	2018 AED
Cash flows from operating activities		
(Loss)/profit for the year	**(4,720,102)**	1,346,236
Adjustments for:		
Depreciation of property, plant and equipment	**345,216**	343,078
Finance costs	**747,487**	768,916
Provision for impairment on investments	**5,153,618**	--
Dividend income	**(1,575,000)**	(2,174,653)
	(48,781)	283,577
Changes in:		
- Inventories	**(197,264)**	--
- Other current assets	**1,863**	2,824
- Trade and other payables	**502,954**	(20,461)
Cash generated from operating activities	**258,772**	265,940
Interest paid	**(573,311)**	(768,916)
Net cash used in operating activities	**(314,539)**	(502,976)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	**(8,550)**	--
Payment to related parties	**(514,648)**	(497,615)
Dividend received	**1,575,000**	2,174,653
Net cash from investing activities	**1,051,802**	1,677,038
Cash flows from financing activities		
Receipts from bank loan (net)	**10,092,500**	3,670,000
Payments to related parties	**(14,038,436)**	(226,900)
Net cash (used in)/from financing activities	**(3,945,936)**	3,443,100
Net (decrease)/increase in cash and cash equivalents	**(3,208,673)**	4,617,162
Cash and cash equivalents at the beginning of the year	**4,664,212**	47,050
Cash and cash equivalents at the end of the year (note 12)	**1,455,539**	4,664,212

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.

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كايا ميدل إيست م.د.م.س
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KAYA MIDDLE EAST DMCC

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 which is considered by the directors to be the ultimate parent company.

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 2018, 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 the 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 4,720,102 for the year ended 31 March 2019 and at that date, the Company's losses aggregated to AED 4,452,346, its current liabilities exceed its current assets by AED 22,593,038 and it had a net deficit of AED 4,402,346 in equity funds. 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.

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However, the 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 period

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:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from Contracts with Customers

The impact of adoption of these standards and the new accounting policies are explained below in more detail:

IFRS 9: Financial instruments

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

Changes in accounting policies resulting from the adoption of IFRS 9 have not resulted in any material impact on opening balances of retained earnings or equity as of 1 April 2018.

(i) Classification and measurement

On the date of initial application of IFRS 9, i.e. 1 April 2018, the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. Management has concluded that there is no material reclassification of financial assets other than disclosed below.

Financial assets	Original classification under IAS 39	New classification under IFRS 9
Deposits	Loans and receivables	Amortised cost
Due from a related party	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

The adoption of IFRS 9 has not resulted in any change in classification or measurement of financial liabilities.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to IFRS 9's new Expected Credit Loss (ECL) model:

- Deposits
- Due from a related party
- Cash and cash equivalents

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For deposits, cash and cash equivalents and amount due from a related party, the Company has applied 12-month ECL model and the identified impairment loss was immaterial.

IFRS 9 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (i) to the financial statements under significant accounting policies.

IFRS 15: Revenue from contracts with customers

Impact of adoption

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to customers.

The standard requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining contract and the costs directly related to fulfilling a contract.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), in which the effect of initially applying this standard are recognised at the date of initial application (i.e. 1 April 2018) Accordingly, the information presented for 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Changes in accounting policies resulting from the adoption of IFRS 15 have not resulted in any material impact on the opening balance of retained earnings/equity as of 1 April 2018.

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 16: Leases (1 January 2019)

  IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases – Initiatives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Under this revised guidance, leases will be brought onto the lessee's statement of financial position, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test.

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The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

The above standard is currently being assessed by the management to determine any material impact on the financial statements.

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 of building, plant and machinery and furniture, fixtures and office equipment 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
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.

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.

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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. The consolidated financial statements of the Company and its subsidiaries are presented separately.

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 ventures

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) **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 realisable value. Cost comprises of direct materials, labour and other attributable overheads.

e) **Dividend income**

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

f) **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.

g) **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.

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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, it's 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.

h) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from 1 January 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 periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

i) **Financial instruments**

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Classification

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets depends on the Company's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

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Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

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Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of current/non-current borrowings, trade and other payables and amounts due to related parties.

Impairment of financial assets
IFRS 9 Replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than IAS 39.

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

The financial assets at amortised cost comprise of deposits, amounts due from related parties and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to 12-month ECLs for all the financial assets listed above.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

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Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

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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.

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

j) **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:

Classification of financial assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment
At each reporting date, management conducts an assessment of property, plant, equipment 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.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

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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.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 197,264 (previous year AED NIL) 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 financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(i).

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:

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- 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	Plant and Machinery	Furniture, fixtures and office equipment	Total
	AED	AED	AED	AED
Cost				
At 1 April 2017	3,098,903	--	1,467,386	4,566,289
At 31 March 2018	3,098,903	--	1,467,386	4,566,289
Additions	--	--	8,550	8,550
Transfer from a related party	--	949,798	16,795	966,593
As at 31 March 2019	**3,098,903**	**949,798**	**1,492,731**	**5,541,432**
Accumulated Depreciation				
At 1 April 2017	146,337	--	239,576	385,913
Depreciation	103,503	--	239,575	343,078
At 31 March 2018	249,840	--	479,151	728,991
Depreciation	**103,503**	--	241,713	345,216
At 31 March 2019	**353,343**	--	**720,864**	**1,074,207**
Carrying amount				
At 1 April 2017	2,952,566	--	1,227,810	4,180,376
At 31 March 2018	2,849,063	--	988,235	3,837,298
At 31March 2019	**2,745,560**	**949,799**	**771,867**	**4,467,225**

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		2019 AED	2018 AED
7.	**INVESTMENTS**		
	Interest in share capital at cost in:		
i)	**Investments in subsidiaries**		
	– Minal Medical Centre LLC. (75% share in the capital of the company)	**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
		26,618,936	26,618,936
	Less: Provision for impairment of investments	**(2,802,969)**	--
		23,815,967	26,618,936
ii)	**Investment in Joint Venture**		
	– Al Beda Medical Services KSCC. (49% share in the capital of the company)	**--**	309,221
		23,815,967	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 2019	2018
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)]	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.

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The nature of investments in joint ventures is as follows:

Name of joint venture	Principal activities	Country of incorporation	Proportion (%) of ownership interest	
			2019	2018
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 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.

During the year, the venturers have decided to voluntarily terminate the operations of the joint venture. The operations ceased from 31 January 2019. The assets and liabilities of the joint venture were taken over by the venturers as agreed at their book values (refer note 22).

		2019 AED	2018 AED
8.	**INVENTORIES**		
	Consumables and goods for sale	**197,264**	--
9.	**DEPOSITS**		
	Labour guarantee deposits	**33,000**	33,000
10.	**OTHER CURRENT ASSETS**		
	Advances	**3,408**	--
	Prepayments	**26,323**	33,669
	VAT receivable	**2,075**	--
		31,806	33,669

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

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

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	Ultimate Parent company	Subsidiaries and Joint venture	Companies under common ownership and/or management control	Total 2019	Total 2018
	AED	AED	AED	AED	AED
Investments	--	23,815,967	--	23,815,967	
	--	26,928,157	--		26,928,157
Amount due from related parties	--	--	--	--	
	--	2,560,594	--		2,560,594
Amounts due to related parties	4,289,225	746,590	14,916,283	19,952,098	
	3,052,999	716,455	30,221,080		33,990,534

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 7 and 21.

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

	Ultimate parent company	Subsidiaries and joint venture	Companies under common ownership and/or management control	Total 2019	Total 2018
	AED	AED	AED	AED	AED
Dividend income	--	1,575,000	--	1,575,000	
	--	2,174,653	--		2,174,653
Other operating income	--	189,417	--	189,417	
	--	492,568	--		492,568
Interest expense	--	--	160,206	160,206	
	--	--	81,499		81,499
Recharge of expenses	158,925	--	--	158,925	
	146,905	--			146,905
Write off of investments	--	2,802,969	--	2,802,969	
	--	--	--		--
Write off of amount due from a related party	--	2,350,649	--	2,350,649	
	--	--	--		--
Transfer of net assets	--	933,145	--	933,145	
	--	--	--		--

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.

	2019	2018
	AED	AED
12. CASH AND CASH EQUIVALENTS		
Cash on hand	83	--
Bank balances in current accounts	1,455,456	4,664,212
	1,455,539	4,664,212

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		2019 AED	2018 AED
13.	**SHARE CAPITAL**		
	Paid up:		
	50 shares of AED 1,000 each	**50,000**	50,000

The shareholder at 31 March 2019 and at 31 March 2018 and its 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**

		2019 AED	2018 AED
14.	**LONG-TERM BORROWINGS**		
	Loan from Standard Chartered Bank	**13,762,500**	3,670,000
	Less: Current portion (note 15)	**(3,670,000)**	(734,000)
		10,092,500	2,936,000
15.	**SHORT-TERM BORROWINGS**		
	Current portion of long-term loans (note 14)	**3,670,000**	734,000

Bank loan carries interest at LIBOR plus 3.75%. The loan is repayable in sixteen quarterly instalments of AED 183,500 commencing from fifteenth 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 of related parties
- 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:

	2019 AED	2018 AED
1 – 3 months	**305,833**	183,500
3 months – 1 year	**3,364,167**	550,500
Presented as current liabilities (note 15)	**3,670,000**	734,000
1 year – 5 years (note 14)	**10,092,500**	2,936,000
Total	**13,762,500**	3,670,000

		2019 AED	2018 AED
16.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**206,947**	--
	Creditors for capital goods	**3,178**	3,178
	Accruals	**478,424**	75,462
		688,549	78,640

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

17. **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 15.

	2019 AED	2018 AED
18. OTHER OPERATING INCOME		
Management fees	**188,934**	301,650
Other miscellaneous income	**--**	236,460
Exchange gain	**483**	932
	189,417	539,402
19. PROVISION FOR IMPAIRMENT		
Impairment of investment in a subsidiary	**2,802,969**	--
Impairment of amount due from a joint venture	**2,350,649**	--
	5,153,618	--
20. FINANCE COST		
Interest on amount due to related parties	**160,206**	81,499
Interest on bank loan	**587,281**	687,417
	747,487	768,916

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21. FINANCIAL INSTRUMENTS

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

At 31 March 2019	At amortised cost
	AED
Financial assets	
Deposits	33,000
Cash and cash equivalents	1,455,539
	1,488,539
Financial liabilities	
Non-current liabilities	10,092,500
Current bank borrowings	3,670,000
Trade and other payables	688,549
Amounts due to related parties	19,952,098
	34,403,147

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, 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.

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.

The management assesses the credit risk arising from amounts due from a related party and other receivables taking into account its financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

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

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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 137,625 higher or lower (previous year AED 36,700) resulting in equity being higher or lower by AED 137,625 (previous year AED 36,700).

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, deposits, amounts due from a related party, current/non-current borrowings, trade and other payables and amounts due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- Fair value of non-current borrowings is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

22. LIQUIDATION OF JOINT VENTURE

During the year, the venturers have decided to voluntarily terminate the operations of the joint venture in Kuwait. The operations ceased from 31 January 2019. The assets and liabilities of the joint venture were taken over by the venturers as agreed at their book values. Consequent to the decision, the Company has recognised an impairment loss of the amount due from the joint venture and recognise a lability towards the joint venture at an amount equal to the excess of net assets acquired over the carrying value of the amount receivable from the joint venture. The details of the amount receivable and assets taken over from the joint venture as at the date of agreement to terminate the operations are as follows:

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		2019
		AED
Investment in joint venture		309,221
Amount due from joint venture		2,675,380
	(A)	2,984,601
Net assets taken over		
- Property plant and equipment		966,595
- Inventories		197,264
- Trade and other payables		(205,297)
- Other liabilities		(25,417)
	(B)	933,145
Share of losses		
Losses upto 31 March 2018		1,185,468
Loss for the year ended 31 March 2019		923,488
	(C)	2,108,956
Net amount due to joint venture	(A-B-C)	57,500

For **KAYA MIDDLE EAST DMCC**

Vikas

DIRECTORS

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IRIS MEDICAL CENTER LLC

Financial statements and reports

Year ended 31 March 2019

IRIS MEDICAL CENTER LLC

Financial statements and reports
Year ended 31 March 2019

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IRIS MEDICAL CENTER LLC

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The manager submits his report and financial statements for the year ended 31 March 2019. 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 499,937. The manager does not recommend any dividends for the year ended 31 March 2019.

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 2019 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 2019 and it is proposed that they be re-appointed for the year ending 31 March 2020.

Manager
19 April 2019

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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 2019, 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 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matter**
Revenue	
The Company has adopted IFRS 15 at 1 April 2018 using the modified retrospective application with the cumulative effect of initially applying the standard adjusted in the opening retained earnings. Therefore, the comparative financial information has not been restated.	We have: • Reviewed the Company's implementation of IFRS 15, including the recognition of effect on opening equity and changes to accounting guidelines and disclosures to support correct revenue recognition. • Reviewed the accounting policy, the effect on opening equity and disclosures including the key accounting estimates and judgments made by the management.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matter
Further, the Company provides services in bundled packages. The revenue relating to package sales is recognized when the related services are provided. Consequently, amounts collected in advance were recognized as "Contract liabilities". Determining the deferred revenue for the year can be complex, especially where the calculation involves significant judgement and high degree of manual preparation. We have determined revenue to be key audit mater due to the estimates and judgement involved in the application of the revenue standard and the degree of manual preparation involved in the computation of deferred revenue.	We have: • Obtained an understanding of the revenue process including performing an end-to-end walkthrough and identification of the relevant controls. • Independently assessed the judgements made by the management. • For a sample of customers, recalculated deferred revenue for the period and verified the calculation to underlying appointment records and entries in the sales register.
Impairment of Property plant and equipment	
As at 31 March 2019, the company had property plant and equipment aggregating to AED 699,389. The company had incurred losses in the previous and current year. As such there re indicators that these assets may be impaired. The assessment of impairment involves application of significant judgement and hence the matter has been considered as a key audit matter.	We have: • Reviewed the conditions as at reporting date to identify if indicators of impairment exist. Based on the current market conditions, impairment indicators were identified. • Obtained the value in use calculations and evaluated the reasonableness of the key inputs to these calculations considering our knowledge of the business. • Considered the adequacy of the disclosures in relation to impairment of property plant and equipment.

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.

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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 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.

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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 2019.

vi) note 11 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 2019; 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 2019 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 2019 and there are no penalties imposed on the Company.

PKF

PKF
Dubai
United Arab Emirates
26 April 2019

AUDITORS PKF U.A.E.

IRIS MEDICAL CENTER LLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 AED	2018 AED
Assets			
Non-current assets			
Property, plant and equipment	6	699,389	1,039,650
Non-current assets	7	32,121	48,636
		731,510	1,088,286
Current assets			
Inventories	8	109,867	154,408
Deposits and other receivables	9	44,907	80,477
Other current assets	10	366,344	300,232
Amount due from a related party	11	689,090	666,455
Cash and cash equivalents	12	133,486	271,682
		1,343,694	1,473,254
Total assets		2,075,204	2,561,540
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	13	150,000	150,000
Statutory reserve		75,000	75,000
Retained earnings		1,110,196	1,724,130
Total shareholders' funds		1,335,196	1,949,130
Non-current liabilities			
Provision for staff end-of-service benefits	14	20,806	18,127
Current liabilities			
Trade and other payables	15	349,968	364,541
Other current liabilities	16	369,234	229,742
		719,202	594,283
Total liabilities		740,008	612,410
Total equity and liabilities		2,075,204	2,561,540

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.

Authorised for issue by the shareholders on 19 April 2019 and signed on their behalf by Mr. Anand Venkatraman Vaidyanathan.

For **IRIS MEDICAL CENTER LLC**

MANAGER

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IRIS MEDICAL CENTER LLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 AED	2018 AED
Revenue from contract with customers	18	1,290,951	3,062,327
Cost of material consumed		(279,086)	(819,249)
Changes in inventories		44,541	(1,317)
Gross profit		1,056,406	2,241,761
Other operating income		2,000	703
Staff costs	19	(420,070)	(1,193,879)
Depreciation		(383,078)	(370,784)
Other operating expenses	20	(755,195)	(716,633)
Interest income		--	5,338
PROFIT FOR THE YEAR		(499,937)	(33,494)
Other comprehensive income:			
Other comprehensive income for the year			--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(499,937)	(33,494)

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.

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IRIS MEDICAL CENTER LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 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
Change in accounting policy (note 2(d))	--	--	(113,997)	(113,997)
Balance at 1 April 2018	150,000	75,000	1,610,133	1,835,133
Total comprehensive income for the year	--	--	(499,937)	(499,937)
Balance at 31 March 2019	**150,000**	**75,000**	**1,110,196**	**1,335,196**

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.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 AED	2018 AED
Cash flows from operating activities		
Loss for the year	(499,937)	(33,494)
Adjustments for:		
Depreciation of property, plant and equipment	383,078	370,784
Interest income	--	(5,338)
Provision for end-of-service benefits	2,679	4,646
	(114,180)	336,598
Changes in:		
- Inventories	44,541	204,900
- Deposits and other receivables	35,570	115,874
- Other current assets	(66,112)	298,804
- Trade and other payables	(14,573)	151,757
- Other current liabilities	25,495	10,375
Staff end-of service benefits paid	--	(13,797)
Net cash (used in)/from operating activities	(89,259)	1,104,511
Cash flows from investing activities		
Payment for property, plant and equipment	(26,302)	(71,943)
Payment for capital advance	--	(48,636)
Payment to a related party	(22,635)	(666,455)
Interest received	--	5,338
Net cash used in investing activities	(48,937)	(781,696)
Cash flows from financing activities		
Payment to a related party	--	(126,925)
Net cash used in financing activities	--	(126,925)
Net (decrease)/increase in cash and cash equivalents	(138,196)	195,890
Cash and cash equivalents at beginning of year	271,682	75,792
Cash and cash equivalents at end of year (note 12)	133,486	271,682

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.

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1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **IRIS MEDICAL CENTRE LLC** (the "Company") 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 provide 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 the 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 period

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:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from Contracts with Customers

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The impact of adoption of these standards and the new accounting policies are explained below in more detail:

IFRS 9: Financial instruments

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

Changes in accounting policies resulting from the adoption of IFRS 9 have not resulted in any material impact on opening balances of retained earnings or equity as of 1 April 2018

(i) Classification and measurement

On the date of initial application of IFRS 9, i.e. 1 April 2018, the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. Management has concluded that there is no material reclassification of financial assets other than disclosed below.

Financial assets	**Original classification under IAS 39**	**New classification under IFRS 9**
Deposits and other receivables	Loans and receivables	Amortised cost
Due from a related party	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

The adoption of IFRS 9 has not resulted in any change in classification or measurement of financial liabilities.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to IFRS 9's new Expected Credit Loss (ECL) model:

- Deposits and other receivables
- Due from a related party
- Cash and cash equivalents

For cash and cash equivalents, other receivables and amount due from a related party, the Company has applied 12-month ECL model and the identified impairment loss was immaterial.

IFRS 9 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (k) to the financial statements under significant accounting policies.

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IFRS 15: Revenue from contracts with customers

Impact of adoption

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to customers.

The standard requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining contract and the costs directly related to fulfilling a contract.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), in which the effect of initially applying this standard are recognised at the date of initial application (i.e. 1 April 2018) Accordingly, the information presented for March 2018 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. The significant changes and quantitative impact of the changes are as follows:

IFRS 15 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (e) to the financial statements under significant accounting policies.

Package sales

For package sales, the Company recognised a portion of revenue limited to the amounts that was not contingent on provision of future services. Under IFRS 15, the total consideration in the contract is allocated to all products and services based on their standalone selling price.

The following table summarises the impact of adopting IFRS 15 on the financial statements of the Company:

Statement of financial position (extract)	31 March 2018 (Reported under IAS 18) AED	Adoption of IFRS 15 AED	1 April 2018 (Restated under IFRS 15) AED
Current liabilities			
Contracts liabilities[(a)]	--	113,997	113,997
Equity			
Retained earnings	1,724,130	(113,997)	1,610,133
	1,724,130	--	1,724,130

(a) The contract liabilities relate to the advance consideration received from customers for packages for which revenue will be recognised on provision of services in future.

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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 16: Leases (1 January 2019)
  IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases – Initiatives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Under this revised guidance, leases will be brought onto the lessee's statement of financial position, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test.

The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

The above standard is currently being assessed by the management to determine any material impact on the financial statements.

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 of plant and machinery and furniture, fixtures and office equipments 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.

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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 realisable 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 from contract with customers**

The Company is in the business of providing dermatology and venerology clinic services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Provision of services
The company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the services have been provided to the customer and sessions under the package are utilised. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

f) **Contract liabilities**

A contract liability is the obligation to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

g) **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.

h) **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.

i) **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, it's 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.

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j) **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 periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

k) **Financial instruments**

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Classification

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets depends on the Company's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

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(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of trade and other payables.

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Impairment of financial assets

IFRS 9 Replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than IAS 39.

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

The financial assets at amortised cost comprise of deposits and other receivables, amounts due from a related party and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to 12-month ECLs for all the financial assets listed above.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

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.

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Equity

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

l) **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:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

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.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with IFRS 15- Revenue from Contracts with Customers.

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Determine timing of satisfaction of performance obligation
The Company concluded that the revenue from sale of goods should be recognised at a point in time when the services have been provided to the customer. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed. The income relating to unutilised sessions is carried forward and recognised on utilisation of the sessions.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

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 109,867 (previous year AED 154,408) 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 financial assets
The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(k).

Staff end-of-service benefits
The Company computes the provision for the liability to staff end-of-service benefits stated at AED 20,806 (previous year AED 18,127), assuming that all employees were to leave as of the reporting date and is based on the local labour laws.

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6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress[i] AED	Plant and machinery AED	Furniture, fixtures and office equipment AED	Total AED
Cost				
At 1 April 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
Additions	26,302	--	--	26,302
Transfer from capital advance	16,515			16,515
Transfer	(86,467)	1,517	84,950	--
As at 31 March 2019	**3,125**	**1,197,892**	**770,912**	**1,971,929**
Accumulated Depreciation				
At 1 April 2017	--	330,188	188,490	518,678
Depreciation	--	236,519	134,265	370,784
At 31 March 2018	--	566,707	322,755	889,462
Depreciation	--	237,775	145,303	383,078
At 31 March 2019	--	**804,482**	**468,058**	**1,272,540**
Carrying amount				
At 1 April 2017	20,218	839,593	478,680	1,338,491
At 31 March 2018	46,775	629,668	363,207	1,039,650
At 31March 2019	**3,125**	**393,410**	**302,854**	**699,389**

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

7. NON-CURRENT ASSETS

This represents advances paid against refurbishment of clinic.

	2019 AED	2018 AED
8. INVENTORIES		
Consumables and goods for sale.	**109,867**	154,408
9. DEPOSITS AND OTHER RECEIVABLES		
Deposits	**43,000**	43,000
Staff advances	**1,670**	28,600
Other receivables	**237**	8,877
	44,907	80,477
10. OTHER CURRENT ASSETS		
Other advances	**112,595**	112,798
Prepaid expenses	**253,749**	187,434
	366,344	300,232

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

	Shareholders	Total 2019	Total 2018
	AED	AED	AED
Amount due from a related party	689,090	689,090	
	666,455		666,455

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 21.

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

	Shareholders	Companies under common ownership/ control	Total 2019	Total 2018
	AED	AED	AED	AED
Salaries	--	--	--	
	640,000	--		640,000
Purchase	--	175,844	175,844	
	--	292,625		292,625

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

	2019 AED	2018 AED
12. CASH AND CASH EQUIVALENTS		
Cash on hand	33,404	48,837
Bank balances in current accounts	100,082	222,845
	133,486	271,682
13. SHARE CAPITAL		
Paid up:		
100 shares of AED 1,500 each	150,000	150,000
14. PROVISION FOR STAFF END-OF-SERVICE BENEFITS		
Opening balance	18,127	27,278
Provision for the year	2,679	4,646
Paid during the year	--	(13,797)
Closing balance	20,806	18,127

	2019 AED	2018 AED
15. TRADE AND OTHER PAYABLES		
Trade payables	273,327	266,151
Creditors for capital goods	11,669	19,772
Accruals	13,279	14,114
Other payables	51,693	64,504
	349,968	364,541

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

	2019 AED	2018 AED
16. OTHER CURRENT LIABILITIES		
Contract liabilities[(a)]	318,745	160,966
Vat payable	8,264	31,190
Payable to employees	42,225	37,586
	369,234	229,742

(a) Contract liabilities relate to the advance consideration received from customers for package sales for which revenue will be recognised on provision of services in future.

The significant changes in contract liabilities balances during the period are as follows:

	2019 AED
Opening balance	160,966
Revenue recognised against above	(1,203,507)
Additions during the year (including cash receipts)	1,247,289
Changes due to change in accounting policy (note 2 (d))	113,997
Closing balance	318,745

17. 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.

18. REVENUE

The Company generates revenue from trading goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, customer type, and contract type is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

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	2019 AED	2018 AED
Primary Geographical segments		
- UAE	1,290,951	3,062,327
Major goods/service lines		
- Products	87,443	143,875
- Services	1,203,508	2,918,452
	1,290,951	3,062,327
Timing of revenue recognition		
- At a point in time	87,443	143,875
- Over period of time	1,203,508	2,918,452
	1,290,951	3,062,327

19. **STAFF COSTS**

	2019 AED	2018 AED
Staff salaries and benefits	417,391	1,189,233
Staff end-of-service benefits	2,679	4,646
	420,070	1,193,879

20. **OTHER OPERATING EXPENSES**

	2019 AED	2018 AED
Operating lease expenses	232,187	236,750
Other expenses	523,008	479,883
	755,195	716,633

21. **FINANCIAL INSTRUMENTS**

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

At 31 March 2019	At amortised cost
Financial assets	AED
Deposits and other receivables	44,907
Amount due from a related party	689,090
Cash and cash equivalents	133,486
	867,483
Financial liabilities	
Trade and other payables	318,745
	318,745

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, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks)

IRIS MEDICAL CENTRE - L.L.C. P.O.Box: 3773, Abu Dhabi - U.A.E. Tel 02-6665000 مركز ايريس الطبي - ذ م م

AUDITORS PKF U.A.E.

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.

The management assesses the credit risk arising from trade and other receivables and amounts due from related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

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

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 management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, deposits and other receivables, amount due from a related party and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

For IRIS MEDICAL CENTER LLC

MANAGER

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MINAL MEDICAL CENTRE L.L.C.

Financial statements and reports
Year ended 31 March 2019

MINAL MEDICAL CENTRE L.L.C.

Financial statements and reports
Year ended 31 March 2019

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MINAL MEDICAL CENTRE L.L.C.

MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The manager submits his report and financial statements for the year ended 31 March 2019. 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 1,082,115. An amount of AED 1,300,000 has been declared and paid as dividend during the year ended 31 March 2019.

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 2019 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 2019 and it is proposed that they be re-appointed for the year ending 31 March 2020.

AUDITORS PKF U.A.E.

Manager
22 April 2019

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MINAL MEDICAL CENTRE L.L.C.

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 2019, 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 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matter**
Revenue	
The Company has adopted IFRS 15 at 1 April 2018 using the modified retrospective application with the cumulative effect of initially applying the standard adjusted in the opening retained earnings. Therefore, the comparative financial information has not been restated.	We have: • Reviewed the Company's implementation of IFRS 15, including the recognition of effect on opening equity and changes to accounting guidelines and disclosures to support correct revenue recognition. • Reviewed the accounting policy, the effect on opening equity and disclosures including the key accounting estimates and judgments made by the management.

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PKF
Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matter
Further, the Company provides services in bundled packages. The revenue relating to package sales is recognized when the related services are provided. Consequently, amounts collected in advance were recognized as "Contract liabilities". Determining the deferred revenue for the year can be complex, especially where the calculation involves significant judgement and high degree of manual preparation. We have determined revenue to be key audit mater due to the estimates and judgement involved in the application of the revenue standard and the degree of manual preparation involved in the computation of deferred revenue.	We have: • Obtained an understanding of the revenue process including performing an end-to-end walkthrough and identification of the relevant controls. • Independently assessed the judgements made by the management. • For a sample of customers, recalculated deferred revenue for the period and verified the calculation to underlying appointment records and entries in the sales register.

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.

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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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.

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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 2019;

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 2019; 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 2019 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 2019 and there are no penalties imposed on the Company.

PKF

PKF
Dubai
United Arab Emirates
29 April 2019

AUDITORS PKF U.A.E.

MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 AED	2018 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**637,499**	620,351
Current assets			
Inventories	7	**248,488**	229,689
Trade and other receivables	8	**224,128**	271,591
Other current assets	9	**361,982**	826,790
Amount due from a related party	10	**--**	25,000
Cash and cash equivalents	11	**864,763**	226,121
		1,699,361	1,579,191
Total assets		**2,336,860**	2,199,542
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	12	**300,000**	300,000
Statutory reserve		**150,000**	150,000
Retained earnings		**615,465**	833,350
Total shareholders' funds		**1,065,465**	1,283,350
Non-current liabilities			
Provision for staff end-of-service benefits	13	**139,488**	177,727
Current liabilities			
Trade and other payables	14	**476,414**	361,290
Other current liabilities	15	**605,493**	290,747
Amounts due to related parties	10	**50,000**	86,428
		1,131,907	738,465
Total liabilities		**1,271,395**	916,192
Total equity and liabilities		**2,336,860**	2,199,542

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.

Authorised for issue by the shareholders on 22 April 2019 and signed on their behalf by Mr. Anand Venkatraman

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

Anand

MANAGER

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MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 AED	2018 AED
Revenue from contract with customers	18	**6,079,025**	6,782,946
Purchases of inventory		**(1,294,804)**	(1,015,516)
Changes in Inventories		**18,799**	113,790
Gross profit		**4,803,020**	5,881,220
Staff costs	19	**(2,124,539)**	(2,354,602)
Depreciation		**(157,816)**	(141,601)
Other operating expenses	20	**(1,438,749)**	(1,165,989)
Interest income	21	**199**	520
PROFIT FOR THE YEAR		**1,082,115**	2,219,548
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,082,115**	2,219,548

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.

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MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 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
Total comprehensive income for the year	--	--	1,082,115	1,082,115
Dividends paid during the year	--	--	(1,300,000)	(1,300,000)
Balance at 31 March 2019	**300,000**	**150,000**	**615,465**	**1,065,465**

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.

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MINAL MEDICAL CENTRE L.L.C.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 AED	2018 AED
Cash flows from operating activities		
Profit for the year	**1,082,115**	2,219,548
Adjustments for:		
Depreciation of property, plant and equipment	**157,816**	141,601
Interest income	**(199)**	(520)
Provision for staff end-of-service benefits	**9,828**	53,917
	1,249,560	2,414,546
Changes in:		
- Inventories	**(18,799)**	(113,790)
- Trade and other receivables	**47,463**	(177,584)
- Other current assets	**464,808**	(421,106)
- Trade and other payables	**115,124**	(18,573)
- Other current liabilities	**314,746**	197,050
Staff end-of-service benefits paid	**(48,067)**	--
Net cash generated from operating activities	**2,124,835**	1,880,543
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	**(174,964)**	(107,220)
Receipts from/(payments to) a related party	**25,000**	(25,000)
Interest received	**199**	520
Net cash used in investing activities	**(149,765)**	(131,700)
Cash flows from financing activities		
Dividends paid	**(1,300,000)**	(2,063,106)
Payments to related parties	**(36,428)**	(55,818)
Net cash used in financing activities	**(1,336,428)**	(2,118,924)
Net increase/(decrease) in cash and cash equivalents	**638,642**	(370,081)
Cash and cash equivalents at beginning of year	**226,121**	596,202
Cash and cash equivalents at end of year (note 11)	**864,763**	226,121

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.

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MINAL MEDICAL CENTRE L.L.C.

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **MINAL MEDICAL CENTRE L.L.C.** (the "Company") is a limited liability company registered 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 2018, 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 the 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 period

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:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from Contracts with Customers

The impact of adoption of these standards and the new accounting policies are explained below in more detail:

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IFRS 9: Financial instruments

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements for the year ended 31 March 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

Changes in accounting policies resulting from the adoption of IFRS 9 have not resulted in any material impact on opening balances of retained earnings or equity as of 1 April 2018.

(i) Classification and measurement

On the date of initial application of IFRS 9, i.e. 1 April 2018, the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. Management has concluded that there is no material reclassification of financial assets other than disclosed below.

Financial assets	**Original classification under IAS 39**	**New classification under IFRS 9**
Trade and other receivables	Loans and receivables	Amortised cost
Due from related parties	Loans and receivables	Amortised cost
Other financial assets	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

The adoption of IFRS 9 has not resulted in any change in classification or measurement of financial liabilities.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to IFRS 9's new Expected Credit Loss (ECL) model:

- Trade and other receivables
- Due from related parties
- Other financial assets
- Cash and cash equivalents

For trade receivables and contract assets, the Company has applied simplified approach permitted by IFRS 9. Further, the simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected losses, trade receivables and contract assets have been grouped based on credit risk characteristics and past dues. The impact of adoption of new ECL model was immaterial.

For other financial assets, cash and cash equivalents and other receivables, the Company has applied 12-month ECL model and the identified impairment loss was immaterial.

IFRS 9 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (k) to the financial statements under significant accounting policies.

IFRS 15: Revenue from contracts with customers

Impact of adoption

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to customers.

The standard requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining contract and the costs directly related to fulfilling a contract.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), in which the effect of initially applying this standard are recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Changes in accounting policies resulting from the adoption of IFRS 15 have not resulted in any material impact on the opening balance of retained earnings/equity as of 1 March 2018.

The main impact of IFRS 15 on the financial statements is summarised below:

Package sales

For package sales, the Establishment recognised a portion of revenue limited to the amounts that was not contingent on provision of future services. Under IFRS 15, the total consideration in the contract is allocated to all products and services based on their standalone selling price.

IFRS 15 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (e) to the financial statements under significant accounting policies.

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.

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- IFRS 16: Leases (1 January 2019)
  IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases – Initiatives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Under this revised guidance, leases will be brought onto the lessee's statement of financial position, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test.

The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

The above standard is currently being assessed by the management to determine any material impact on the financial statements.

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.

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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 from contract with customers**

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

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Provision of services

The Company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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

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For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

f) **Contract liabilities**

A contract liability is the obligation to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) **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.

h) **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.

i) **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, it's 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.

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j) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from 1 January 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 periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

k) **Financial instruments**

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Classification

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets depends on the Company's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

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(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost comprise of trade and other payables, amounts due to related parties and contract liabilities.

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Impairment of financial assets

IFRS 9 Replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than IAS 39.

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

The financial assets at amortised cost comprise of trade and receivables, amounts due from related parties, other financial assets and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, amounts due from related parties, other financial assets, for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

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.

Equity

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

l) **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.

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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:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, 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.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognized over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

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.

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Inventory provisions
Management regularly undertakes a review of the Company's inventory, stated at AED 248,488 (previous year AED 229,689) 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
Assessments of net recoverable amounts of property, plant, equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets
The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Staff end-of-service benefits
The Company computes the provision for the liability to staff end-of-service benefits stated at AED 139,488 (previous year AED 177,727), assuming that all employees were to leave as of the reporting date and is based on the local labour laws.

6. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED
Cost				
At 1 April 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
Additions	43,433	131,531	--	174,964
At 31 March 2019	**1,923,229**	**326,663**	**88,400**	**2,338,292**
Accumulated depreciation				
At 1 April 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
Depreciation	111,727	37,044	9,045	157,816
At 31 March 2019	**1,470,093**	**178,487**	**52,213**	**1,700,793**
Carrying amount				
At 1 April 2017	540,305	57,887	56,540	654,732
At 31 March 2018	521,430	53,689	45,232	620,351
At 31 March 2019	**453,136**	**148,176**	**36,187**	**637,499**

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		2019 AED	2018 AED
7.	**INVENTORIES**		
	Consumables	**248,488**	229,689

		2019 AED	2018 AED
8.	**TRADE AND OTHER RECEIVABLES**		
	Credit card receivables	**30,794**	21,774
	Deposits	**191,831**	232,517
	Other receivables	**1,503**	17,300
		224,128	271,591

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.

		2019 AED	2018 AED
9.	**OTHER CURRENT ASSETS**		
	Prepayments	**151,431**	270,710
	Advance for goods and services	**210,551**	556,080
		361,982	826,790

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 shareholders, manager and fellow subsidiaries.

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

	Shareholders AED	Fellow subsidiaries AED	Total 2019 AED	Total 2018 AED
Amount due from a related party	--	--	--	
	25,000	--		25,000
Amounts due to related parties		50,000	**50,000**	
	86,428	--		86,428

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 22.

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

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	Shareholders	Fellow subsidiaries	Total 2019	Total 2018
	AED	AED	AED	AED
Recharge of expenses	--	--	--	
	96,817	--		96,817
Staff salaries	360,000	--	360,000	
	330,000	--		330,000
Dividend paid	1,300,000	--	1,300,000	
	2,063,106	--		2,063,106

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

		2019	2018
		AED	AED
11.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	17,251	14,974
	Bank balances in current accounts	847,512	211,147
		864,763	226,121
12.	**SHARE CAPITAL**		
	Paid up:		
	300 shares of AED 1,000 each	300,000	300,000
13.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	177,727	123,810
	Provision for the year	9,828	53,917
	Paid during the year	(48,067)	--
	Closing balance	139,488	177,727
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	376,395	196,046
	Accruals	97,709	165,244
	Other payables	2,310	--
		476,414	361,290
15.	**OTHER CURRENT LIABILTIES**		
	Contract liabilities[(a)]	321,020	--
	VAT Payable	31,867	95,688
	Other liabilities	252,606	195,059
		605,493	290,747

(a) Contract liabilities relate to the advance consideration received from customers for package sales for which revenue will be recognised on provision of services in future.

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The significant changes in contract liabilities balances during the year are as follows

	2019 AED	2018 AED
Additions during the year (including cash receipts)	**321,020**	--
Closing balance	**321,020**	--

16. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED 1,300,000 (previous year AED 2,063,106) represent a dividend per share of AED 4,333 (previous year AED 6,877).

17. **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.

18. **REVENUE FROM CONTRACT WITH CUSTOMERS**

The Company generates revenue from trading goods and rendering services at a point in time and over a period of time respectively. The disaggregated revenue from contracts with customers by geographical segments, customer type, and contract type is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

Primary Geographical segments		
- UAE	**6,079,025**	6,782,946
Major goods/service lines		
- Services	**6,079,025**	6,782,946
Timing of revenue recognition		
- Over period of time	**6,079,025**	6,782,946

19. **STAFF COSTS**

Staff salaries and benefits	**2,114,711**	2,300,685
Staff end-of-service benefits	**9,828**	53,917
	2,124,539	2,354,602

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		2019	2018
		AED	AED
20.	**OTHER OPERATING EXPENSES**		
	Operating lease expenses	437,699	461,203
	Other expenses	1,001,050	704,786
		1,438,749	1,165,989
21.	**INTEREST INCOME**		
	On bank deposits	199	520

22. **FINANCIAL INSTRUMENTS**

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

At 31 December 2018	At amortised cost
Financial assets	AED
Trade and other receivables	224,128
Cash and cash equivalents	864,763
	1,088,891
Financial liabilities	
Trade and other payables	476,414
Amount due to a related party	50,000
	526,414

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:

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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 to credit risk from such receivables situated outside the UAE.

At the reporting date, there is no significant concentration of credit risk from receivables (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 r at amortised cost approximate to their carrying values.

23. 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:

	2019	2018
	AED	AED
Not later than one year	**272,432**	408,649
Between one and five years	**--**	272,432
	272,432	681,081

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

MANAGER

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MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

Financial statements and reports
Year ended 31 March 2019

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

Financial statements and reports
Year ended 31 March 2019

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MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The manager submits his report and financial statements for the year ended 31 March 2019. 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 41,426 An amount of AED 800,000 has been declared and paid as dividend during the year ended 31 March 2019.

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 2019 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 2019 and it is proposed that they be re-appointed for the year ending 31 March 2020.

Manager
22 April 2019

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MINAL SPECIALISED CLINIC DERMATOLOGY LLC

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 2019, 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 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Revenue	
The Company has adopted IFRS 15 at 1 April 2018 using the modified retrospective application with the cumulative effect of initially applying the standard adjusted in the opening retained earnings. Therefore, the comparative financial information has not been restated.	We have: • Reviewed the Company's implementation of IFRS 15, including the recognition of effect on opening equity and changes to accounting guidelines and disclosures to support correct revenue recognition. • Reviewed the accounting policy, the effect on opening equity and disclosures including the key accounting estimates and judgments made by the management.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Key audit matters	How our audit addressed the key audit matter
Further, the Company provides services in bundled packages. The revenue relating to package sales is recognized when the related services are provided. Consequently, amounts collected in advance were recognized as "Contract liabilities". Determining the deferred revenue for the year can be complex, especially where the calculation involves significant judgement and high degree of manual preparation. We have determined revenue to be key audit mater due to the estimates and judgement involved in the application of the revenue standard and the degree of manual preparation involved in the computation of deferred revenue.	We have: • Obtained an understanding of the revenue process including performing an end-to-end walkthrough and identification of the relevant controls. • Independently assessed the judgements made by the management. • For a sample of customers, recalculated deferred revenue for the period and verified the calculation to underlying appointment records and entries in the sales register.

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.

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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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.
- 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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 2019;

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 2019; 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 2019 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 2019 and there are no penalties imposed on the Company.

PKF

PKF
Dubai
United Arab Emirates
29 April 2019

MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 AED	2018 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**381,048**	395,270
Current assets			
Inventories	7	**134,219**	152,397
Deposits and other receivables	8	**57,794**	88,355
Other current assets	9	**176,494**	375,840
Amount due from a related party	10	**50,000**	25,000
Cash and cash equivalents	11	**512,339**	856,653
		930,846	1,498,245
Total assets		**1,311,894**	1,893,515
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	12	**300,000**	300,000
Statutory reserve		**93,928**	89,785
`Retained earnings		**16,280**	778,997
Total shareholders' funds		**410,208**	1,168,782
Non-current liabilities			
Provision for staff end-of-service benefits	13	**262,366**	246,033
Current liabilities			
Trade and other payables	14	**240445**	310,540
Other current liabilities	15	**398,875**	168,160
		639,320	478,700
Total liabilities		**901,686**	724,733
Total equity and liabilities		**1,311,894**	1,893,515

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.

Authorised for issue by the shareholders on 22 April 2019 and signed on their behalf by Mr. Anand Venkatraman Vaidyanathan.

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

Anand

MANAGER

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MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 AED	2018 AED
Revenue from contract with customers	18	**4,062,041**	4,955,861
Purchases of inventory		**(347,427)**	(677,060)
Changes in Inventories		**(18,178)**	67,400
Gross profit		**3,696,436**	4,346,201
Other operating income		**102**	--
Staff costs	19	**(2,703,790)**	(2,705,650)
Depreciation		**(93,037)**	(93,000)
Other operating expenses	20	**(862,098)**	(653,944)
Interest income	21	**3,813**	4,245
PROFIT FOR THE YEAR		**41,426**	897,852
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**41,426**	897,852

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.

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MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2017	300,000	--	808,810	1,108,810
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
Total comprehensive income for the year	--	--	41,426	41,426
Transfers	--	4,143	(4,143)	--
Dividends paid during the year	--	--	(800,000)	(800,000)
Balance at 31 March 2019	**300,000**	**93,928**	**16,280**	**410,208**

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.

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MINAL SPECIALISED CLINIC DERMATOLOGY L.L.C

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 AED	2018 AED
Cash flows from operating activities		
Profit for the year	**41,426**	897,852
Adjustments for:		
Depreciation of property, plant and equipment	**93,037**	93,000
Interest income	**(3,813)**	(4,245)
Provision for staff end-of-service benefits	**19,436**	77,241
	150,086	1,063,848
Changes in:		
- Inventories	**18,178**	(67,400)
- Deposits and other receivables	**30,561**	21,718
- Other current assets	**199,346**	123,462
- Trade and other payables	**(70,095)**	214,274
- Other current liabilities	**230,715**	62,931
Staff end-of-service benefits paid	**(3,103)**	(20,622)
Net cash generated from operating activities	**555,688**	1,398,211
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	**(78,815)**	(50,620)
(Increase)/decrease in amounts due from a related party	**(25,000)**	75,000
Interest received	**3,813**	4,245
Net cash (used in)/ from investing activities	**(100,002)**	28,625
Cash flows from financing activities		
Dividends paid	**(800,000)**	(837,880)
Decrease in amount due to a related party	**--**	(27,947)
Net cash used in financing activities	**(800,000)**	(865,827)
Net (decrease)/increase in cash and cash equivalents	**(344,314)**	561,009
Cash and cash equivalents at beginning of year	**856,653**	295,644
Cash and cash equivalents at end of year (note 11)	**512,339**	856,653

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.

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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 2018, 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 the 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 period

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:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from Contracts with Customers

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The impact of adoption of these standards and the new accounting policies are explained below in more detail:

IFRS 9: Financial instruments

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements for the year ended 31 March 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

Changes in accounting policies resulting from the adoption of IFRS 9 have not resulted in any material impact on opening balances of retained earnings or equity as of 1 April 2018.

(i) Classification and measurement

On the date of initial application of IFRS 9, i.e. 1 January 2018, the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. Management has concluded that there is no material reclassification of financial assets other than disclosed below.

Financial assets	Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	Loans and receivables	Amortised cost
Due from a related party	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

The adoption of IFRS 9 has not resulted in any change in classification or measurement of financial liabilities.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to IFRS 9's new Expected Credit Loss (ECL) model:

- Trade and other receivables
- Due from a related party
- Cash and cash equivalents

For cash and cash equivalents, other receivables and amount due from a related party, the Company has applied 12-month ECL model and the identified impairment loss was immaterial.

IFRS 9 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (k) to the financial statements under significant accounting policies.

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IFRS 15: Revenue from contracts with customers
Impact of adoption
IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to customers.

The standard requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining contract and the costs directly related to fulfilling a contract.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), in which the effect of initially applying this standard are recognised at the date of initial application (i.e. 1 January 2018) Accordingly, the information presented for 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Changes in accounting policies resulting from the adoption of IFRS 15 have not resulted in any material impact on the opening balance of retained earnings/equity as of 1 April 2018

IFRS 15 accounting policies
The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (e) to the financial statements under significant accounting policies.

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 16: Leases (1 January 2019)
  IFRS 16, published in January 2016 replaces the previous guidance in IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases – Initiatives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Under this revised guidance, leases will be brought onto the lessee's statement of financial position, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for lease classification test.

The revised guidance has an increased focus on who controls the asset and may change which contracts are leases.

The above standard is currently being assessed by the management to determine any material impact on the financial statements.

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, of plant and machinery and furniture, fixtures and office equipments 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.

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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 from contract with customers**

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

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

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

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

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- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Provision of services
The Company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

f) **Contract liabilities**
A contract liability is the obligation to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) **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.

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h) **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.

i) **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, it's 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.

j) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, effective from 1 January 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 periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

k) **Financial instruments**

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Classification

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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The classification of financial assets depends on the Company's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

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Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of trade and other payables and other contract liabilities

Impairment of financial assets

IFRS 9 Replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than IAS 39.

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

The financial assets at amortised cost comprise of deposits and other receivables, amount due from a related party and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to 12-month ECLs for all the financial assets listed above.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

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.

Equity

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

l) **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:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, intangible assets and investment property 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.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognized over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

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 134,219 (previous year AED 152,397) 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.

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Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(k).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 262,366 (previous year AED 246,033) assuming that all employees were to leave as of the reporting date and is based on local labour laws.

6. PROPERTY, PLANT AND EQUIPMENT

	Medical equipment AED	Furniture, fixtures and office equipment AED	Vehicles AED	Total AED
Cost				
At 1 April 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
Additions	55,000	23,815	--	78,815
At 31 March 2019	**4,465,328**	**595,186**	**104,357**	**5,164,871**
Accumulated depreciation				
At 1 April 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
Depreciation	70,484	16,064	6,489	93,037
At 31 March 2019	**4,183,390**	**522,033**	**78,400**	**4,783,823**
Carrying amount				
At 7 December 2016	322,765	74,328	40,557	437,650
At 31 March 2018	297,422	65,402	32,446	395,270
At 31 March 2019	**281,938**	**73,153**	**25,957**	**381,048**

	2019 AED	2018 AED
7. INVENTORIES		
Consumables	**134,219**	152,397
8. DEPOSITS AND OTHER RECEIVABLES		
Credit card receivables	**3,284**	11,158
Advances to staff	**--**	26,500
Deposits	**54,510**	50,697
	57,794	88,355

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	2019 AED	2018 AED
9. OTHER CURRENT ASSETS		
Other advances	**20,621**	78,314
Prepayments	**155,873**	297,526
	176,494	375,840

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 shareholders and fellow subsidiaries.

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

	Shareholders AED	Fellow subsidiaries AED	Total 2019 AED	Total 2018 AED
Amounts due from a related party	--	50,000	**50,000**	
	25,000	--		25,000
Included in other current assets	--	--	--	
	52,100	--		52,100
Included in trade and other payables	130,477	--	**130,477**	
	--	--		--

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 22.

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

	Shareholders AED	Fellow subsidiaries AED	Total 2019 AED	Total 2018 AED
Recharge of expenses	--	--	--	
	97,501	--		97,501
Staff salaries and benefits	360,000	--	**360,000**	
	390,000	--		390,000
Dividend paid	850,000	--	**850,000**	
	837,880	--		837,880

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

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		2019	2018
		AED	AED
11.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	19,377	21,728
	Bank balances in current accounts	492,962	834,925
		512,339	856,653
12.	**SHARE CAPITAL**		
	Paid up:		
	300 shares of AED 1,000 each	300,000	300,000
13.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	246,033	189,414
	Provision for the year	19,436	77,241
	Paid during the year	(3,103)	(20,622)
	Closing balance	262,366	246,033
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	85,396	267,634
	Accruals	24,572	42,906
	Other payables	130,477	--
		240,445	310,540
15.	**OTHER CURRENT LIABILITIES**		
	Contract liabilities[(a)]	101,330	--
	VAT payable	46,185	42,909
	Short term employee benefits	251,360	125,251
		398,875	168,160

(a) Contract liabilities relate to the advance consideration received from customers for package sales for which revenue will be recognised on provision of services in future.

The significant changes in contract liabilities balances during the period are as follows:

	2019	2018
Additions during the year (cash receipts)	101,330	--
Closing balance	101,330	--

16. **DIVIDENDS**

Dividends declared and approved by the shareholders during the year of AED 800,000 (previous year AED 837,880) represent a dividend per share of AED 2,667 (previous year AED 2,793).

17. 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.

18. REVENUE FROM CONTRACT WITH CUSTOMERS

The Company generates revenue rendering services over a period of time. The disaggregated revenue from contracts with customers by geographical segments, customer type, and contract type is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2019 AED	2018 AED
Primary Geographical segments		
- UAE	4,062,041	4,955,861
Major goods/service lines		
- Services	4,062,041	4,955,861
Timing of revenue recognition		
- Over period of time	4,062,041	4,955,861

19. STAFF COSTS

	2019 AED	2018 AED
Staff salaries and benefits	2,684,354	2,628,409
Staff end-of-service benefits	19,436	77,241
	2,703,790	2,705,650

20. OTHER OPERATING EXPENSES

	2019 AED	2018 AED
Operating lease expenses	195,450	216,651
Other expenses	666,648	437,293
	862,098	653,944

21. INTEREST INCOME

	2019 AED	2018 AED
On bank deposits	3,813	4,245

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22. FINANCIAL INSTRUMENTS

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

At 31 March 2019	At amortised cost
Financial assets	**AED**
Deposits and other receivables	57,794
Amount due from a related party	50,000
Cash and cash equivalents	512,339
	620,133
Financial liabilities	
Trade and other payables	240,445
	240,445

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, deposits and other receivables and amounts due from a related party.

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

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The management assesses the credit risk arising from deposits and other receivables and amounts due from a related party taking into account their financial position, past experience and other factors. Based on the assessment, individual risk limits are determined.

At the reporting date, there is no significant concentration of credit risk from other receivables (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 management assesses the fair value of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, deposits and other receivables, amount due from a related party, trade and other payables and contract liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

23. OPERATING LEASE COMMITMENTS

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

	2019	2018
	AED	AED
Not later than one year	**75,000**	75,000
Between one and five years	**18,750**	93,750
	93,750	168,750

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

MANAGER

AUDITORS PKF U.A.E.

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KAYA-BEDA JV

Financial statements and independent auditor's report
Year ended 31 March 2019

KAYA-BEDA JV

Financial statements and independent auditor's report
Year ended 31 March 2019

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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 "Company") which comprise the statement of financial position as at 31 March 2019, 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 2019, 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
The financial statements are prepared under liquidation basis as the joint venture partners have taken a decision to voluntary liquidate the Joint Venture. Accordingly, assets are stated at net realisable value, while liabilities are stated at the amounts at which they are expected to be discharged.

Our opinion is not modified in respect of this matter.

continued....

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 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...

- 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.

PKF
Kuwait
April 2019

KAYA-BEDA JV

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 KWD	2018 KWD
ASSETS			
Non-current assets			
Property, plant and equipment	6	--	133,172
Capital advances		--	6,235
		--	139,407
Current assets			
Inventories	7	--	18,828
Trade and other receivables	8	--	16,063
Amount due from a related party	9	**4,600**	--
Cash and cash equivalents	10	--	24,169
		4,600	59,060
Total assets		**4,600**	198,467
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	11	--	25,000
Accumulated losses		--	(187,752)
Deficit in shareholders' funds		--	(162,752)
Non-current liabilities			
Provision for staff end-of-service benefits	12	--	2,902
Current liabilities			
Trade and other payables	13	--	64,708
Amount due to a related party	9	**4,600**	293,609
		4,600	358,317
Total liabilities		**4,600**	361,219
Total liabilities less deficit		**4,600**	198,467

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 2019.

For **KAYA-BEDA JV**

Vikas

DIRECTORS

KAYA-BEDA JV

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 KWD	2018 KWD
Revenue from contracts with customers	15	**109,802**	157,190
Cost of material consumed		**(21,763)**	(21,478)
Gross profit		**88,039**	135,712
Other operating income	16	**--**	241
Staff costs	17	**(64,973)**	(78,058)
Depreciation		**(22,603)**	(24,733)
Other operating expenses		**(151,237)**	(112,785)
LOSS FOR THE YEAR		**(150,774)**	(79,623)
Other comprehensive income:			
Other comprehensive income for the year		**--**	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(150,774)**	(79,623)

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.

Vikas

KAYA-BEDA JV

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital KWD	Accumulated losses KWD	Total KWD
Issue of share capital	25,000	(108,129)	(83,129)
Total comprehensive income for the year	--	(79,623)	(79,623)
Balance at 31 March 2018	25,000	(187,752)	(162,752)
Change in accounting policy (note 2(d))	--	(5,794)	(5,794)
Balance at 1 April 2018	25,000	(193,546)	(168,546)
Total comprehensive income for the year	--	(150,774)	(150,774)
Transfer to joint venture partners	(25,000)	344,320	319,320
Balance at 31 March 2019	--	--	--

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.

Vikas

KAYA-BEDA JV

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 KWD	2018 KWD
Cash flows from operating activities		
Loss for the year	(150,774)	(79,623)
Adjustments for:		
Depreciation of property, plant and equipment	22,603	24,733
Loss on disposal of property, plant and equipment	59,979	--
Provision for end-of-service benefits	1,242	740
	(66,950)	(54,150)
Changes in:		
– Inventories	18,828	(179)
– Trade and other receivables	16,063	(12,724)
– Increase in trade and other payables	(64,708)	31,478
Staff end-of-service benefits paid	(4,144)	(80)
Net cash used in operating activities	(100,911)	(35,655)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(26,736)	(15,873)
Proceeds from disposal of property, plant and equipment	77,326	--
Payment for capital advances	6,235	(6,235)
Net cash from/(used in) investing activities	56,825	(22,108)
Cash flows from financing activities		
Receipts from a related party	19,917	62,812
Net cash from financing activities	19,917	62,812
Net increase in cash and cash equivalents	(24,169)	5,049
Cash and cash equivalents at the beginning of the year	24,169	19,120
Cash and cash equivalents at the end of the year	--	24,169

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.

Vikas

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **KAYA-BEDA JV** (the "Company") 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 Company is managing and operating a Skin Clinic within premises of the main clinic under the Kaya Skin Clinic, Kuwait.

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 2018.

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.

c) **Going concern**

The financial statements are prepared on liquidation basis.

The financial statements are prepared under liquidation basis as the joint venture partners have taken a decision to voluntary liquidate the Joint Venture. Accordingly, assets are stated at net realisable value, while liabilities are stated at the amounts at which they are expected to be discharged.

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

Standards and interpretations effective for the current period

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:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from Contracts with Customers

The impact of adoption of these standards and the new accounting policies are explained below in more detail:

IFRS 9: Financial instruments

Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements for the year ended 31 March 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

Changes in accounting policies resulting from the adoption of IFRS 9 have not resulted in any material impact on opening balances of retained earnings or equity as of 1 April 2018.

(i) Classification and measurement

On the date of initial application of IFRS 9, i.e. 1 April 2018, the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. Management has concluded that there is no material reclassification of financial assets other than disclosed below.

Financial assets	Original classification under IAS 39	New classification under IFRS 9
Due from related parties	Loans and receivables	Amortised cost

The adoption of IFRS 9 has not resulted in any change in classification or measurement of financial liabilities.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to IFRS 9's new Expected Credit Loss (ECL) model:

- Due from related parties

For other receivables, the Company has applied 12-month ECL model and the identified impairment loss was immaterial.

IFRS 9 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (i) to the financial statements under significant accounting policies.

IFRS 15: Revenue from contracts with customers

Impact of adoption

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in scope of other standards. The new standard established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to customers.

The standard requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining contract and the costs directly related to fulfilling a contract.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), in which the effect of initially applying this standard are recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for 2017 has not been restated - i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. The significant changes and quantitative impact of the changes are as follows.

Package sales

For package sales, the Company recognised a portion of revenue limited to the amounts that was not contingent on provision of future services. Under IFRS 15, the total consideration in the contract is allocated to all products and services based on their standalone selling price.

The following table summarises the impact of adopting IFRS 15 on the financial statements of the Company:

Statement of financial position (extract)	31 March 2018 (Reported under IAS 18) AED	Adoption of IFRS 15 AED	1 April 2018 (Restated under IFRS 15) AED
Current liabilities			
Contracts liabilities	--	5,794	5,794
Equity			
Retained earnings	(187,752)	(5,794)	(193,546)
	(187,752)	--	(187,752)

IFRS 15 accounting policies

The application of the new standard required the management to apply the new accounting policies, which are summarised in note 3 (d) to the financial statements under significant accounting policies.

New and revised IFRSs in issue but not yet effective

In the opinion of management, there are no IFRSs or IFRIC interpretations which are applicable to the Company and 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.

e) **Functional and presentation currency**

The financial statements are presented in Kuwaiti Dinar ("KWD") 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	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 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 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.

c) **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.

d) **Revenue from contract with customers**

The Company is engaged in the business of providing products and services in the area of skin care treatment and providing related advisory services.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods
The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Provision of services
The Company provides services that are either sold separately or bundled together with the sale of goods. The services can be obtained from other providers and do not significantly modify or customise the goods.

Contracts for composite sale of goods and services comprise of two performance obligations because the promise to transfer the goods and promise to provide services are capable of been distinct and separately identifiable. The Company allocates the transaction price based on the relative stand-alone selling prices of the goods and services.

The Company has concluded that revenue from sale of services should be recognised over time using output method, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

e) **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.

f) **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.

g) **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, it's 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.

h) **Taxes**

The Company is subject to corporate income tax in the state of Kuwait.

i) **Financial instruments**

IFRS 9 contains three principal classification categories for financial assets - i.e. measured at: amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The existing IAS 39 categories of held-to-maturity, loans and receivables, and available-for-sale are removed.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Classification

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets depends on the Company's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Management determines the classification of its investment at initial recognition.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost comprise of amounts due to related parties.

Impairment of financial assets
IFRS 9 Replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVTOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than IAS 39.

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

The financial assets at amortised cost comprise of amount due from a related party.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- amounts due from related parties for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

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.

Equity

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

j) **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:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant, equipment, 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.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Contract revenue is recognized over time as performance obligations are fulfilled in accordance with IFRS 15 – Revenue from Contracts with Customers.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that revenue from services is to be recognized over time as the customer simultaneously receives the benefit as the session is consumed.

The transaction price is allocated to each performance obligations on a relative standalone selling price basis. Management estimates the standalone selling price at contract inception based on observable prices of the type of contract and the services rendered in similar circumstances to similar customers.

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:

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at KWD Nil (previous year KWD 18,828) 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.

Fair value of financial assets

The fair values of financial instruments that are not traded on an active market are determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

Impairment

Assessments of net recoverable amounts of property, plant, equipment, intangible assets, and investment property are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at KWD Nil (previous year KWD 2,902), 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 KWD	Plant and machinery KWD	Furniture, fixtures and office equipment KWD	Total KWD
Cost				
At 1 April 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
Additions	--	--	26,736	26,736
Transfer on liquidation	--	(130,394)	(75,654)	(206,048)
At 31 March 2019	--	--	--	--
Accumulated depreciation				
At 1 April 2017	--	20,410	997	21,407
Depreciation	--	18,473	6,260	24,733
At 31 March 2018	--	38,883	7,257	46,140
Depreciation	--	15,528	7,075	22,603
Adjustment relating to transfer	--	(54,411)	(14,332)	(68,743)
At 31 March 2019	--	--	--	--
Carrying amount				
At 31 March 2017	2,965	103,608	35,459	142,032
At 31 March 2018	--	91,511	41,661	133,172
At 31 March 2019	--	--	--	--

	2019 KWD	2018 KWD
7. INVENTORIES		
Consumables	--	18,828
8. TRADE AND OTHER RECEIVABLES		
Trade receivables	--	1,905
Advances	--	14,158
	--	16,063

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 joint venture partners.

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

	Joint venture partners	Other related parties	Total 2019	Total 2018
	KWD	KWD	KWD	KWD
Amount due from a related party	4,600	--	4,600	
	--	--		--
Amount due to a related party	4,600	--	--	
	293,609	--		293,609

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 KWD	Total 2019 KWD	Total 2018 KWD
Recharge of expenses	--	--	
	16,734		16,734
Management fees payable	15,115	15,115	
	25,093		25,093
Stock transfer	--	--	
	3,099		3,099

In addition to above transactions, consequent to the decision to liquidate the Company, the joint venturers have mutually agreed to take over all assets and liabilities at their carrying values.

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.

	2019 KWD	2018 KWD
10. CASH AND CASH EQUIVALENTS		
Cash on hand	--	420
Current accounts	--	23,749
	--	24,169

11. SHARE CAPITAL

The authorised, issued and paid up capital of the Company was KWD 25,000 divided equally between the parties.

		2019 KWD	2018 KWD
12.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	At 1 April	**2,902**	2,242
	Provision for the year	**1,242**	740
	Paid during the year	**(4,144)**	(80)
	At 31 March	**--**	2,902
13.	**TRADE AND OTHER PAYABLES**		
	Trade payables	**--**	37,599
	Capital creditors	**--**	5,986
	Advance received from customers	**--**	9,016
	Accruals	**--**	1,023
	Other payables	**--**	11,084
		--	64,708

14. **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 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.

		2019 KWD	2018 KWD
15.	**REVENUE**		
	Product sales	**8,662**	12,319
	Service sales	**101,140**	144,871
		109,802	157,190
16.	**OTHER OPERATING INCOME**		
	Miscellaneous income	**--**	241
17.	**STAFF COSTS**		
	Staff salaries and benefits	**63,731**	77,318
	Staff end-of-service benefits	**1,242**	740
		64,973	78,058

18. **FINANCIAL INSTRUMENTS**

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

At 31 March 2019	**At amortised cost**
	KWD
Financial assets	
Amounts due from related parties	**4,600**
	4,600
Financial liabilities	
Amounts due to related parties	**4,600**
	4,600

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 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.

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 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 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 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-BEDA JV**

Vikas

DIRECTOR