

**Al-Maidan Clinic For Oral Health
Services Company K.S.C.P. And It's
Subsidiary**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

31 DECEMBER 2018



Building a better
working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL-MAIDAN CLINIC FOR ORAL HEALTH SERVICES COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Maidan Clinic for Oral Health Services Company K.S.C.P. (the "Parent Company") and its subsidiary (collectively, the "Group") as at 31 December 2018 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the nine months period ended 31 December 2018 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER

LICENCE NO. 207 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

14 February 2019
Kuwait

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
For the period ended 31 December 2018

	<i>Note</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>31 December</i>		<i>31 December</i>	
		<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Patients revenue		11,269,310	10,555,220	31,053,536	28,839,795
Pharmacy sales		1,796,055	1,516,952	4,759,247	4,256,334
		<u>13,065,365</u>	<u>12,072,172</u>	<u>35,812,783</u>	<u>33,096,129</u>
Cost of revenues		(8,255,587)	(8,078,268)	(23,544,651)	(22,186,700)
		<u>4,809,778</u>	<u>3,993,904</u>	<u>12,268,132</u>	<u>10,909,429</u>
Gross profit					
Administrative expenses		(2,816,647)	(2,236,660)	(6,607,452)	(6,045,115)
Allowance for expected credit losses / impairment of trade receivables		(260,000)	(157,526)	(610,000)	(337,526)
Other income		307,329	474,810	527,343	739,914
Unrealised loss on financial assets at fair value through profit or loss		(2,363)	-	(2,363)	-
Finance costs		(20,146)	(18,199)	(84,065)	(45,807)
		<u>2,017,951</u>	<u>2,056,329</u>	<u>5,491,595</u>	<u>5,220,895</u>
PROFIT FOR THE PERIOD BEFORE PROVISION FOR CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOR SUPPORT TAX (NLST) AND ZAKAT					
KFAS		(20,180)	(1,450)	(54,917)	(5,928)
NLST		(79,715)	(53,165)	(179,808)	(135,793)
Zakat		(31,887)	(21,266)	(71,924)	(54,317)
		<u>1,886,169</u>	<u>1,980,448</u>	<u>5,184,946</u>	<u>5,024,857</u>
PROFIT FOR THE PERIOD					
ATTRIBUTABLE TO:					
Equity holders of the Parent Company		1,886,044	1,980,448	5,184,844	5,024,857
Non-controlling interests		125	-	102	-
		<u>1,886,169</u>	<u>1,980,448</u>	<u>5,184,946</u>	<u>5,024,857</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	5	<u>7.54 fils</u>	<u>7.92 fils</u>	<u>20.74 fils</u>	<u>20.10 fils</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 December 2018

	<i>Three months ended</i> <i>31 December</i>		<i>Nine months ended</i> <i>31 December</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	1,886,169	1,980,448	5,184,946	5,024,857
Other comprehensive loss:				
<i>Items that will not be reclassified subsequently to</i> <i>interim condensed consolidated statement of income:</i>				
Changes in fair value of financial assets at fair value through other comprehensive income	(17,395)	-	(42,684)	-
Other comprehensive loss for the period	(17,395)	-	(42,684)	-
Total comprehensive income for the period	1,868,774	1,980,448	5,142,262	5,024,857
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	1,868,823	1,980,448	5,142,587	5,024,857
Non-controlling interests	(49)	-	(325)	-
	1,868,774	1,980,448	5,142,262	5,024,857

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)

As at 31 December 2018

		<i>(Audited)</i>	
	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Note</i>			
ASSETS			
Non-current assets			
Property and equipment	20,077,267	21,416,035	21,915,296
Financial assets available for sale	-	-	48,327
Financial assets at fair value through other comprehensive income	453,759	-	-
	<u>20,531,026</u>	<u>21,416,035</u>	<u>21,963,623</u>
Current assets			
Inventories	2,337,113	2,056,681	2,262,015
Account receivables and prepayments	12,284,355	10,702,184	12,139,922
Amount due from related parties	7 5,805,283	6,361,645	6,029,060
Financial assets at fair value through profit or loss	525,600	-	-
Cash and cash equivalents	8 7,992,701	6,587,422	2,519,162
	<u>28,945,052</u>	<u>25,707,932</u>	<u>22,950,159</u>
TOTAL ASSETS	<u>49,476,078</u>	<u>47,123,967</u>	<u>44,913,782</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	25,000,000	25,000,000	25,000,000
Treasury shares	9 (18,422)	-	-
Statutory reserve	1,528,490	1,528,490	979,545
Fair value reserve	(42,178)	-	-
Retained earnings	8,626,537	4,691,772	4,676,043
Equity attributable to equity holders of the Parent Company	<u>35,094,427</u>	<u>31,220,262</u>	<u>30,655,588</u>
Non-controlling interests	29,675	-	-
Total equity	<u>35,124,102</u>	<u>31,220,262</u>	<u>30,655,588</u>
Liabilities			
Non-current liability			
Employees' end of service benefits	2,531,605	2,248,187	2,194,684
Current liabilities			
Murabaha payable	-	1,504,756	1,506,663
Account payables and accruals	7,717,377	8,061,285	6,532,478
Amount due to related parties	7 4,102,994	4,089,477	4,024,369
	<u>11,820,371</u>	<u>13,655,518</u>	<u>12,063,510</u>
Total liabilities	<u>14,351,976</u>	<u>15,903,705</u>	<u>14,258,194</u>
TOTAL EQUITY AND LIABILITIES	<u>49,476,078</u>	<u>47,123,967</u>	<u>44,913,782</u>

Talal A. Alkhars
Chairman

Eissa Ibrahim AlMoosa
Vice Chairman

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the period ended 31 December 2018

	Share capital KD	Treasury shares KD	Statutory reserve KD	Fair value reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interest KD	Total KD
Balance as at 1 April 2018	25,000,000	-	1,528,490	-	4,691,772	31,220,262	-	31,220,262
Profit for the period	-	-	-	-	5,184,844	5,184,844	102	5,184,946
Other comprehensive loss for the period	-	-	-	(42,257)	-	(42,257)	(427)	(42,684)
Total comprehensive (loss) income for the period	-	-	-	(42,257)	5,184,844	5,142,587	(325)	5,142,262
Loss transferred to retained earnings on sale of financial assets at FVOCI	-	-	-	79	(79)	-	-	-
Purchase of treasury shares	-	(18,422)	-	-	-	(18,422)	-	(18,422)
Non-controlling interest arising on incorporation of a subsidiary (Note 4)	-	-	-	-	-	-	30,000	30,000
Dividends (Note 6)	-	-	-	-	(1,250,000)	(1,250,000)	-	(1,250,000)
Balance as at 31 December 2018	25,000,000	(18,422)	1,528,490	(42,178)	8,626,537	35,094,427	29,675	35,124,102
Balance as at 1 April 2017	25,000,000	-	979,545	-	(348,814)	25,630,731	-	25,630,731
Profit for the period	-	-	-	-	5,024,857	5,024,857	-	5,024,857
Balance as at 31 December 2017	25,000,000	-	979,545	-	4,676,043	30,655,588	-	30,655,588

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
For the period ended 31 December 2018

		Nine months ended 31 December	
	Note	2018 KD	2017 KD
OPERATING ACTIVITIES			
Profit for the period before provision for contribution to KFAS, NLST and Zakat		5,491,595	5,220,895
Non cash adjustments to reconcile profit for the period before provision for contribution to KFAS, NLST and Zakat to net cash flows:			
Depreciation		2,358,462	2,357,734
Unrealised loss on financial assets at fair value through profit or loss		2,363	-
Allowance for expected credit losses / impairment of trade receivable		610,000	337,526
Gain on sale of property and equipment		-	38,667
Finance costs		84,065	45,807
Provision for employees' end of service benefits		417,908	451,445
		<u>8,964,393</u>	<u>8,452,074</u>
Working capital adjustments:			
Inventories		(280,432)	(362,453)
Account receivables and prepayments		(2,192,171)	(2,984,398)
Amount due from related parties		556,362	(3,165,437)
Account payables and accruals		(656,507)	(343,719)
Amount due to related parties		13,517	310,178
		<u>6,405,162</u>	<u>1,906,245</u>
Cash flows from operations		6,405,162	1,906,245
Employees' end of service benefits paid		(134,490)	(240,633)
		<u>(134,490)</u>	<u>(240,633)</u>
Net cash flows from operating activities		<u>6,270,672</u>	<u>1,665,612</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(1,019,694)	(894,733)
Proceeds from sale of property and equipment		-	13,055
Purchase of financial assets at FVOCI		(504,433)	-
Proceeds from sale of financial assets at FVOCI		7,990	-
Purchase of financial assets at FVTPL		(527,963)	-
		<u>(2,044,100)</u>	<u>(881,678)</u>
Net cash flows used in investing activities		(2,044,100)	(881,678)
FINANCING ACTIVITIES			
Purchase of treasury shares		(18,422)	-
Repayment of murabaha payable		(1,504,756)	(2,074)
Dividends paid	6	(1,244,050)	-
Non-controlling interests share of capital of newly incorporated subsidiary	4	30,000	-
Finance costs paid		(84,065)	(32,573)
		<u>(2,821,293)</u>	<u>(34,647)</u>
Net cash flows used in financing activities		(2,821,293)	(34,647)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		1,405,279	749,287
Cash and cash equivalents as at the beginning of the period		6,587,422	1,769,875
		<u>6,587,422</u>	<u>1,769,875</u>
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	8	7,992,701	2,519,162

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

31 December 2018

1 CORPORATE INFORMATION

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. (the "Parent Company") is a Kuwaiti Shareholding Company incorporated on 2 November 1992. The Parent Company is mainly engaged in providing healthcare services. The Parent Company's registered head office is at P.O. Box 606, Dasman 15457, Kuwait.

The Parent Company's shares are listed on the Kuwait Stock Exchange. The Parent Company is a subsidiary of United Medical Services Company K.S.C. (Closed) (the "Intermediate Parent Company"). The Intermediate Parent Company is a subsidiary of United Healthcare Company K.S.C. (Closed) (the "Ultimate Parent Company").

The Annual General Assembly of the Parent Company for the year ended 31 March 2018 was held on the 19 July 2018. Accordingly, the financial statements for the year ended 31 March 2018 have been approved by the shareholders of the Parent Company.

The interim condensed consolidated financial information of the Group for the period ended 31 December 2018 was authorised for issue in accordance with a resolution of the Board of Directors on 14 February 2019.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34: "Interim Financial Reporting" ("IAS 34").

The interim condensed consolidated financial information has been presented in Kuwaiti Dinar ("KD"), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Parent Company's annual financial statements for the year ended 31 March 2018. Further, operating results for the nine months period ended 31 December 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2019.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual financial statements of the Parent Company for the year ended 31 March 2018 except for the changes described in Note 3.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary as at 31 December 2018 (investees which are controlled by the Parent Company). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
 NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL
 INFORMATION (UNAUDITED)

31 December 2018

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

The financial statements of the subsidiary are prepared for the same reporting period as the Parent Company, using consistent accounting policies. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests represent the equity in the subsidiary not attributable directly, or indirectly, to the shareholders of the Parent Company. Equity and net income attributable to non-controlling interests are shown separately in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of changes in equity.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the interim condensed consolidated statement of income. Any investment retained is recognised at fair value.

The interim condensed consolidated financial statements include the financial statements of the Parent Company and the following subsidiary:

Name of company	Country of incorporation	Ownership percentage			Principal activities
		31	(Audited)	31	
		December	31 March	December	
		2018	2018	2017	
Maidan Capital for sale & buy shares and real estate W.L.L.	Kuwait	99%	-	-	Shares and Real Estate trading

3 NEW STANDARDS AND AMEDNMENTS ADOPTED BY THE GROUP

The Group applies, for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial information of the Group.

IFRS 15: Revenue from Contracts with Customers

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 the scope of other standards. The new standard establishes 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 for transferring goods or services to a customer.

The standard requires entities 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 a contract and the costs directly related to fulfilling a contract.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

As the Group's revenue is mainly arising from patient revenue, pharmacy sales and other related services, the adoption of this standard did not result in any change in accounting policies of the Group and does not have any material effect on the Group's interim condensed consolidated financial information.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL
INFORMATION (UNAUDITED)

31 December 2018

3 NEW STANDARDS AND AMEDNMENTS ADOPTED BY THE GROUP (continued)

IFRS 9 Financial Instruments

The Group has adopted IFRS 9 effective from 1 April 2018. IFRS 9 brings together the requirements for recognising and measuring financial assets and financial liabilities, impairment of financial assets and hedge accounting. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The Group has not restated comparative information for the financial year ended 31 March 2018 as permitted by the transitional provisions of the standard. Therefore, the information presented for the year ended 31 March 2018 does not reflect the requirements of IFRS 9 and is not comparable to the information presented for the period ended 31 December 2018. Differences in the carrying amount of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 April 2018.

a) Classification and measurement

Except for certain trade receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), Amortised Cost (AC), or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

With respect to receivables, the Group analysed the contractual cash flow characteristics of those instruments and concluded that based on their business model which is to hold the financial asset to collect the contractual cash flows which meets the SPPI criterion, these instruments shall be classified as at amortised cost under IFRS 9. Therefore, reclassification for these instruments is not required on initial adoption of IFRS 9.

The assessment of the Group's business models was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Accordingly, the measurement of receivables under IFRS 9 doesn't have material impact on interim condensed consolidated statement of income for the Group.

The Group considers a financial asset in default when contractual payment are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Al-Maidan Clinic for Oral Health Services Company K.S.C.P. and its Subsidiary
**NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL
INFORMATION (UNAUDITED)**

31 December 2018

3 NEW STANDARDS AND AMEDNMENTS ADOPTED BY THE GROUP (continued)

IFRS 9 Financial Instruments (continued)

(c) Hedge accounting

The Group did not have any impact resulting from the new guidance relating to hedge accounting included in IFRS 9, as the Group is not dealing in any derivative instruments.

(d) Other adjustments

In addition to the adjustments described above, upon adoption of IFRS 9, other items of the primary financial statements such investment in associates (arising from the financial instruments held by these entities), tax expense, retained earnings and exchange differences on translation of foreign operations were adjusted as necessary.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the interim condensed statement of income.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

- a) Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 31 December 2018 under IFRS 9.
- b) The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
 - The determination of the business model within which a financial asset is held.
 - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
 - The designation of certain investments in equity instruments not held for trading as at FVOCI.
 - If a debt security had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that credit risk on the asset had not increased significantly since its initial recognition.

Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows reconciliation of original measurement categories and carrying value in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Group's financial assets as at 1 April 2018.

	<i>Original classification under IAS 39</i>	<i>New classification under IFRS 9</i>	<i>Original carrying amount under IAS 39 KD</i>	<i>Transition adjustments KD</i>	<i>New carrying amount under IFRS 9 KD</i>
Cash and cash equivalents	Loans and receivables	Amortised cost	6,587,422	-	6,587,422
Account receivables	Loans and receivables	Amortised cost	10,348,900	-	10,348,900
Amount due from related parties	Loans and receivables	Amortised cost	6,361,645	-	6,361,645

The adoption of the ECL requirements of IFRS 9 did not have a material impact on the Group.

Adoption of IFRS 9 did not result in any change in classification or measurement of financial liabilities.

The Group did not have any impact resulting from the new guidance relating to hedge accounting included in IFRS 9, as the Group is not dealing with any derivative instruments.

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4 INCORPORATION OF A SUBSIDIARY

Details of subsidiary and the Group's ownership are set out below:

Name of subsidiary	Country of incorporation	Ownership percentage			Principal activities
		31	(Audited)	31	
		December	31 March	December	
		2018	2018	2017	
Maidan Capital for sale & buy shares and real estate W.L.L.	Kuwait	99%	-	-	Shares and Real Estate trading

During the period, the Parent Company incorporated a new subsidiary, with the below capital structure:

Partners	No of units	KD
Maidan Clinic for Oral Health Services Company	99	2,970,000
United Medical Services Company	1	30,000
Total	100	3,000,000

5 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period less treasury shares. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period less treasury shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 December, the Group had no outstanding dilutive potential shares.

The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
Profit for the period attributable to equity holders of the Parent Company (KD)	1,886,044	1,980,448	5,184,844	5,024,857
Weighted average number of ordinary shares outstanding for the period (excluding treasury shares)	249,984,669	250,000,000	249,984,669	250,000,000
Basic and diluted earnings per share (fils)	7.55	7.92	20.74	20.09

6 DIVIDENDS DISTRIBUTION

At the Annual General Assembly of the shareholders of the Parent Company held on 19 July 2018, the shareholders approved the distribution of cash dividends of 5 fils per share (2017: KD Nil) amounting to KD 1,250,000 for the year ended 31 March 2018 (2017: Nil) for shareholders registered on the appropriate regulatory approval date on 9 August 2018. As at 31 December 2018, dividends paid and payable to shareholders amounting to KD 1,244,050 and 5,950 respectively.

7 RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. major shareholders, associated companies, directors and key management personnel of the Group, and other related parties such as the Ultimate Parent Company and companies in which those parties are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management. Details of significant related party transactions and balances are as follows:

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7 RELATED PARTY TRANSACTIONS (continued)

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

	Entities under common control KD	Other related parties KD	Three months ended 31 December		Nine months ended 31 December	
			2018 KD	2017 KD	2018 KD	2017 KD
Patient revenue	61,867	-	22,800	8,709	61,867	49,593
Cost of revenue*	1,938,947	-	650,985	169,383	1,938,947	550,294
Administrative expenses**	-	1,312,500	437,500	346,868	1,312,500	946,868
Other income	5,400	-	1,800	1,800	5,400	5,400
Finance costs	1,434	-	-	1,509	1,434	13,234

*Included in cost of revenue an amount of KD 1,350,000 (2017: KD 450,000), which represents supervision and maintenance fees for services, rendered between the Parent company and an entity under common control.

**Included in administrative expenses an amount of KD 1,312,500 (2017: KD 645,833), which represents management and consultancy fees for services, rendered between the Parent company and other related parties.

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

	Shareholders KD	Ultimate Parent Company KD	Intermediate Parent Company KD	Entities under common control KD	Other related parties KD	31 December 2018 KD	(Audited) 31 March 2018 KD	31 December 2017 KD
Financial assets available for sale	-	-	-	-	-	-	-	46,707
Financial assets at fair value through other comprehensive income	-	-	-	453,759	-	453,759	-	-
Bank balances and cash	-	-	-	-	-	-	18,155	20,421
Amount due from related parties	-	30,460	3,621,210	1,353,613	800,000	5,805,283	6,361,645	6,029,060
Account payables and accruals	5,950	-	-	-	208,333	214,283	316,813	6,532,478
Amount due to related parties	-	-	-	4,102,994	-	4,102,994	4,089,477	4,024,369

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7 RELATED PARTY TRANSACTIONS (continued)

Amount due from/ to related parties are interest free and are receivable / payable on demand except for certain amount due to a related party of KD Nil (31 March 2018: KD 50,684 and 31 December 2017: KD 1,671,512) which carries an interest rate of Nil% (31 March 2018: 1.75 % and 31 December 2017: 1.3%) per annum.

39829762 The remuneration of directors and other members of key management during the period are as follow:

	<i>Nine months ended 31 December</i>	
	<i>2018</i>	<i>2017</i>
	<i>KD</i>	<i>KD</i>
Salaries and short term benefits	122,670	122,670
Employees' end of service benefits	10,269	7,877
	<u>132,939</u>	<u>130,547</u>

8 CASH AND CASH EQUIVALENTS

	<i>31 December 2018 KD</i>	<i>(Audited) 31 March 2017 KD</i>	<i>31 December 2017 KD</i>
Cash on hand	35,013	30,317	56,293
Bank balances	2,894,205	2,553,221	2,462,869
Term deposits with original maturity of three months or less	5,023,812	4,003,884	-
Cash in portfolio	39,671	-	-
	<u>7,992,701</u>	<u>6,587,422</u>	<u>2,519,162</u>

Term deposits represent murabaha contracts with local bank with an original maturity of three months or less. Term deposits yield an effective profit rate of 2.875% per annum.

Bank balances amounting to KD Nil (31 March 2018: KD 18,155 and 31 December 2017 KD 20,421) are in the name of related parties who have confirmed in writing that they are holding the bank balances on behalf of the Company (Note 7).

9 TREASURY SHARES

	<i>31 December 2018 KD</i>
Number of treasury shares	15,331
Percentage of capital	0.01%
Market value – KD	18,397
Weighted average market price – fils	1.2

An amount equivalent to the cost of purchase of treasury shares (unpledged) have been earmarked as non-distributable from voluntary reserve throughout the holding period of treasury shares.

10 CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of bank guarantee arising in the ordinary course of business from which it is anticipated that no material liabilities, amounting to KD 71,740 (31 March 2018: KD 71,740 and 31 December 2017: KD 69,740).

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11 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on activities and nature of services provided and has two reportable segments. The Group does not have material inter-segment transactions. The segment information is presented on the same basis as that used for internal reporting purposes by the chief operating decision maker. The two reportable segments are as follows:

Clinics	Clinics provide services relating to oral health care, diagnosis, consultations and treatment to outpatients with specialty in dental treatment.
Hospital	Hospital provides services relating to medical diagnosis, health care, consultations, surgical and treatment to both outpatients and inpatients with various specialties.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

Geographically, all the revenues and results of the Group are from activities mainly in the State of Kuwait. Also all the assets and liabilities of the Group are located in the State of Kuwait.

Segment revenues includes patients' revenue, pharmacy sales and other income.

<i>Nine months ended 31 December 2018</i>	<i>Clinics KD</i>	<i>Hospital KD</i>	<i>Total KD</i>	
Revenue	6,087,050	29,725,733	35,812,783	
Segment profit	897,013	4,594,582	5,491,595	
Depreciation	175,458	2,183,004	2,358,462	
<i>Nine months ended 31 December 2017</i>	<i>Clinics KD</i>	<i>Hospital KD</i>	<i>Total KD</i>	
Revenue	5,905,643	27,190,486	33,096,129	
Segment profit	701,369	4,519,526	5,220,895	
Depreciation	145,857	2,211,877	2,357,734	
	<i>Clinics KD</i>	<i>Hospital KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>As at 31 December 2018</i>				
Assets	5,769,908	40,366,944	3,339,226	49,476,078
Liabilities	4,641,802	9,710,174	-	14,351,976
<i>As at 31 March 2018 (Audited)</i>				
Assets	6,566,359	40,557,608	-	47,123,967
Liabilities	6,560,470	9,343,235	-	15,903,705
<i>As at 31 December 2017</i>				
Assets	5,969,153	38,896,302	48,327	44,913,782
Liabilities	6,078,400	8,179,794	-	14,258,194

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12 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and other models as appropriate. As at 31 December 2018 the carrying values of financial instruments approximate their fair values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that is not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<i>31 December 2018</i>	<i>Level 1 KD</i>	<i>Level 2 KD</i>	<i>Total KD</i>
<i>Financial assets at fair value through profit or loss</i>	<u>525,600</u>	<u>-</u>	<u>525,600</u>
Financial assets at fair value through other comprehensive income (FVOCI)	<u>428,306</u>	<u>25,453</u>	<u>453,758</u>