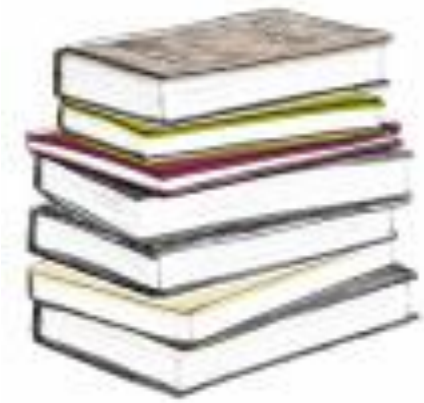
Mair Russell
Grant Thornton

Elite Diagnostic Limited

Financial Statements

June 30, 2018



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Independent auditor's report

To the Members of
Elite Diagnostic Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Elite Diagnostic Limited ("the Company") which comprise the statement of financial position as at June 30, 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at June 30, 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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) and we have fulfilled our other ethical responsibilities in accordance with 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 period. These matters are addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Independent auditor's report (cont'd)

To the Members of
Elite Diagnostic Limited

Report on the audit of the Financial Statements (cont'd)

Other information (cont'd)

Our opinion on the financial statements does not cover the other information and we 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS and the Jamaican Companies Act, 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.

Independent auditor's report (cont'd)

To the Members of
Elite Diagnostic Limited

Report on the audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 presents a true and fair view.

We communicate with the Board of 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Mair Russell
Grant Thornton

Independent auditor's report (cont'd)

To the Members of
Elite Diagnostic Limited

Report on the audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Sixto Coy.

Kingston, Jamaica

September 20, 2018

Mair Russell Grant Thornton
Chartered Accountants

Statement of financial position
June 30, 2018

	Note	2018 $	2017 $
Assets			
Non-current assets			
Property, plant and equipment	(3)	**454,545,653**	187,897,748
		454,545,653	187,897,748
Current assets			
Receivables	(4)	**10,656,715**	6,097,024
Prepayments		**4,569,409**	734,902
Cash and cash equivalents	(5)	**122,019,683**	76,303,124
		137,245,807	83,135,050
Total assets		**591,791,460**	271,032,798
Equity			
Share capital	(6)	**348,898,459**	217,848,063
Retained earnings		**50,593,347**	5,679,931
Total equity		**399,491,806**	223,527,994
Liabilities			
Non-current liabilities			
Deferred tax liability	(7)	**-**	9,455,019
Long-term loans	(8)	**166,117,826**	26,948,969
		166,117,826	36,403,988
Current liabilities			
Payables and accruals	(9)	**4,637,328**	3,500,816
Current portion of long-term loans	(8)	**21,544,500**	7,600,000
		26,181,828	11,100,816
Total liabilities		**192,299,654**	47,504,804
Total equity and liabilities		**591,791,460**	271,032,798

Approved for issue by the Directors on September 20, 2018 and signed on its behalf by:

Warren Chung

Neil Fong

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

Statement of profit or loss and other comprehensive income Year ended June 30, 2018

	Note	2018 $	2017 $
Income		**297,756,789**	263,096,181
Direct costs		**(117,298,019)**	(95,998,023)
		180,458,770	167,098,158
Other income		**472,998**	173,436
Administrative and other expenses	(10)	**(100,647,410)**	(72,067,028)
Depreciation		**(28,328,863)**	(28,023,291)
Operating profit		**51,955,495**	67,181,275
Finance costs	(11)	**(16,052,015)**	(8,040,020)
Exchange (loss)/gain		**(40,684)**	415,089
Profit before tax		**35,862,796**	59,556,344
Income tax credit/(expense)	(12)	**9,050,620**	(15,350,927)
Profit for the year being total comprehensive income for the year		**44,913,416**	44,205,417
Earnings per share	(13)	**0.14**	0.15

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

Statement of changes in equity
Year ended June 30, 2018

	Share capital $	Retained earnings $	Total $
Balance at June 30, 2016	217,848,063	(38,525,486)	179,322,577
Profit for the year being total comprehensive income for the year	-	44,205,417	44,205,417
Balance at June 30, 2017	217,848,063	5,679,931	223,527,994
Shares issued during the year (Note 6)	131,050,396	-	131,050,396
Profit for the year being total comprehensive income for the year	-	44,913,416	44,913,416
Balance at June 30, 2018	**348,898,459**	**50,593,347**	**399,491,806**

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

Statement of cash flows
Year ended June 30, 2018

	2018 $	2017 $
Cash flows from operating activities:		
Profit before tax	**35,862,796**	59,556,344
Adjustments for:		
Depreciation	**28,328,863**	28,023,291
Interest expense	**16,052,015**	8,040,020
	80,243,674	95,619,655
(Increase)/decrease in receivables	**(4,559,691)**	990,073
Increase in prepayment	**(3,834,507)**	-
Increase/(decrease) in payables and accruals	**1,136,512**	(5,165,928)
Cash provided by operations	**72,985,988**	91,443,800
Interest paid	**(16,052,015)**	(8,040,020)
Income tax paid	**(404,399)**	(60,000)
Net cash provided by operations	**56,529,574**	83,343,780
Cash flow from investing activities		
Proceeds from long-term loans	**167,420,000**	-
Repayment of long-term loans	**(14,306,643)**	(33,535,233)
Purchase of property, plant and equipment	**(294,976,768)**	(30,555,332)
Net proceeds from issue of shares	**131,050,396**	-
Net cash used in investing activities	**(10,813,015)**	(64,090,565)
Net increase in cash and cash equivalents	**45,716,559**	19,253,215
Cash and cash equivalents at beginning of year	**76,303,124**	57,049,909
Cash and cash equivalents at end of year (Note 5)	**122,019,683**	76,303,124

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

Notes to the financial statements
June 30, 2018

1. Identification and nature of operations

Elite Diagnostic Limited was incorporated under the laws of Jamaica on February 12, 2012 and is domiciled in Jamaica. The company commenced operations in August 2013. The company's principal place of business is located at 1b Holborn Road, Kingston 5. It opened a branch at 164½ Old Hope Road on November 1, 2017.

The company provides diagnostic imaging services.

The company was listed on the Jamaica Stock Exchange (JSE) Junior Market via an Initial Public Offering (IPO) on February 20, 2018.

2. Summary of significant accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The measurement bases used are more fully described in the accounting policies below.

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

Critical accounting judgements and key sources of estimation uncertainty

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Depreciation and amortisation of property, plant and equipment

Depreciation and amortisation are provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 2(c).

New and revised standards, interpretations and amendments to published standards effective in the current year

Certain new and revised standards became effective during the current year. The company has assessed the relevance of all such new interpretations and amendments and have adopted the following:

Disclosure Initiative (Amendments to IAS 7)
The amendments to IAS 7 'Statements of Cash Flows', effective January 1, 2017, require the company to provide disclosures about the changes in liabilities from financing activities. The company categorises those changes into changes arising from cash flows and non-cash changes with further sub-categories as required by IAS 7. This amendment had no impact on these financial statements.

Amendments to IAS 12, 'Income Taxes (effective for annual periods beginning on or after January 1, 2017)
The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. Deferred tax assets are assessed in combination with other deferred tax assets where the tax does not restrict the source of taxable profits against which particular types of deferred tax assets can be recovered. Where restrictions apply, deferred tax assets are assessed in combination only with other deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. There was no impact from the adoption of this amendment.

Annual Improvements 2014 - 2016, (effective for annual periods beginning on or after January 1, 2017). These amendments had no impact on the company's financial statements.

Standards, amendments and interpretations issued but not yet effective

At the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the company.

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements are provided below:

IFRS 9 Financial Instruments'

IFRS 9 introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The company plans to adopt the new standards on the required effective date. The company does not expect any significant impact on its financial statement except for the effect of applying the impairment requirements of IFRS 9. The company will be required to recognise an expected credit loss-based impairment on its trade receivables.

IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018.

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. The company's management have not yet assessed the impact of IFRS 15 on these financial statements.

IFRS 16 Leases *(effective for annual reporting period beginning on or after January 1, 2019)*
Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees.

b Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

c Property, plant and equipment

(i) Carrying amount

Property, plant and equipment are carried at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to forty (40) years for buildings, five to ten (5 - 10) years for furniture, fixtures, machinery and equipment, three (3) years for computers and five (5) years for motor vehicle.

Leasehold building and improvements are being amortised over twenty years.

(iii) Repairs and renewals

The costs of repairs and renewals which do not enhance the carrying value of existing assets are written off to profit or loss as they are incurred.

d Functional and presentation currency

Functional and presentation currency

The financial statements are prepared and presented in Jamaican dollars, which is the functional currency of the company.

Foreign currency translations and balances

(i) Foreign currency monetary balances at the end of the reporting period have been translated at the rates of exchange ruling at that date.

(ii) Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the dates of those transactions.

(iii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items are included in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical rates except for those measured fair value which are translated using the exchange rates at the date when the fair value was determined.

e Revenue recognition

Revenue comprises revenue from sale of goods to customers. Revenue is measured at the fair value of consideration received and receivable, net of rebates and discounts and is recognised when customers are invoiced.

f Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or the receipt on the goods or as incurred.

g Cash and cash equivalents

Cash and cash equivalents comprise amounts held in current and savings accounts with financial institutions and cash on hand balances net of bank overdraft.

h Trade and other receivables

Trade and other receivables are classified as loans and receivables. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost.

i Financial instruments

Financial assets and financial liabilities are measured initially at fair value plus transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, the company classifies its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are

measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. A provision for doubtful debt is recognised when there is an indication that the debt is impaired. Impairment of trade receivables are presented within 'other operating expenses'.

Financial liabilities

The company's financial liabilities include interest-bearing borrowings, and payables and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

j Payables and accruals

Payables and accruals are obligations to pay for goods or services that have acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

k Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is accounted for using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

However, The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

l Borrowings

Borrowings are recognised initially at fair value, being their issued proceeds net of transaction costs incurred, any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings. Interest expense is

reported on the accruals basis and other borrowing costs, are expensed to profit or loss in the period which they are incurred and are reported in finance costs.

m Impairment

The company's assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

n Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are included in equity as a deduction from proceeds.

o Comparative information

Certain prior year information have been restated to conform with current presentation. The details are shown below:

Contracted services previously classified as administrative expenses have been reclassified to direct costs to conform with current year's presentation. The effect is as follows:

	As previously reported $	Contract services reclassified $	As restated $
Direct costs	87,406,891	8,591,132	95,998,023
Administrative and other expenses	80,658,160	(8,591,132)	72,067,028

Long-term loans were classified between current and non-current as follows:

	As previously reported $	Contract services reclassified $	As restated $
Long-term loans	34,548,969	7,600,000	26,948,969

3. Property, plant and equipment comprise:

The carrying amounts for equipment for the years included in these financial statements as at June 30, 2018 are reconciled as follows:

	Furniture and Fixtures $	Medical Equipment $	Computers $	Computer Software $	Solar System $	Other Equipment $	Leasehold Improvements $	Total $
Gross carrying amount								
Balance at July 1, 2017	12,955,470	211,657,491	1,453,165	5,556,713	9,683,461	14,934,023	37,935,183	294,175,506
Addition	4,524,444	265,720,142	4,256,606	825,249	-	2,439,511	17,210,816	294,976,768
Balance at June 30, 2018	**17,479,914**	**477,377,633**	**5,709,771**	**6,381,962**	**9,683,461**	**17,373,534**	**55,145,999**	**589,152,274**
Depreciation								
Balance at July 1, 2017	(5,138,690)	(79,460,571)	(726,183)	(3,159,730)	(1,936,692)	(5,973,609)	(9,882,283)	(106,277,758)
Current charge	(1,549,674)	(19,732,665)	(636,195)	(1,189,384)	(80,696)	(1,712,147)	(3,428,102)	(28,328,863)
Balance at June 30, 2018	**(6,668,364)**	**(99,193,236)**	**(1,362,378)**	**(4,349,114)**	**(2,017,388)**	**(7,685,756)**	**(13,310,385)**	**(134,606,621)**
Carrying amount at June 30, 2018	**10,791,550**	**378,184,397**	**4,347,393**	**2,032,848**	**7,666,073**	**9,687,778**	**41,835,614**	**454,545,653**

	Furniture and Fixtures $	Medical Equipment $	Computers $	Computer Software $	Solar System $	Other Equipment $	Leasehold Improvements $	Total $
Gross carrying amount								
Balance at July 1, 2016	10,155,303	197,943,713	875,044	4,949,725	9,683,461	14,934,023	25,078,905	263,620,174
Addition	2,800,167	13,713,778	578,121	606,988	-	-	12,856,278	30,555,332
Balance at June 30, 2017	12,955,470	211,657,491	1,453,165	5,556,713	9,683,461	14,934,023	37,935,183	294,175,506
Depreciation								
Balance at July 1, 2016	(2,970,704)	(59,201,314)	(521,982)	(2,795,222)	(968,346)	(4,480,207)	(7,316,692)	(78,254,467)
Current charge	(2,167,986)	(20,259,257)	(204,201)	(364,508)	(968,346)	(1,493,402)	(2,565,591)	(28,023,291)
Balance at June 30, 2017	(5,138,690)	(79,460,571)	(726,183)	(3,159,730)	(1,936,692)	(5,973,609)	(9,882,283)	(106,277,758)
Carrying amount at June 30, 2017	7,816,780	132,196,920	726,982	2,396,983	7,746,769	8,960,414	28,052,900	187,897,748

4. Receivables

	2018 $	2017 $
Due from patients and insurance companies	**8,949,153**	4,756,728
Security deposits	**740,059**	740,059
Other receivables	**967,503**	600,237
Total	**10,656,715**	6,097,024

The ageing of due from patients and insurance companies at the reporting date were:

	2018 $	2017 $
0 – 30 days	**6,569,688**	4,756,728
31-60 days	**1,648,366**	-
Over 60 days	**731,099**	-
Total	**8,949,153**	4,756,728

5. Cash and cash equivalents

	2018 $	2017 $
Cash at bank	**121,693,474**	75,745,301
Cash in hand	**326,209**	557,823
Total	**122,019,683**	76,303,124

6. Share capital

	2018 $	2017 $
Authorised ordinary stock units of no par value	**Unlimited**	3,040,000
Issued ordinary stock units of no par value	**353,400,000**	3,040,000

Issued shares at no par value

	Stock Units	2018 $	2017 $
Share capital at beginning of year (3,040,000 ordinary shares converted to 282,720,000 stock units)	**282,720,000**	**217,848,063**	217,848,063
Shares issued during the year			
70,680,000 stock units ($2) per share	**70,680,000**	**141,360,000**	-
Transaction costs	**-**	**(10,309,604)**	-
	70,680,000	**131,050,396**	-
Share capital at end of year	**353,400,000**	**348,898,459**	217,878,063

In anticipation of the IPO, on November 11, 2017 the company adopted resolutions whereby:

(i) the company was converted from a private company to a public company;

(ii) the company adopted a new set of Articles of Incorporation to conform with its status as a public company and with the Rules prescribed by the JSE for listed Companies;

(iii) the company is authorised to issue an unlimited number of shares;

(iv) each of the issued shares in the capital of the company were subdivided into 93 Ordinary shares;

(v) all the company's issued Ordinary shares were converted into stock units.

During the third quarter, the company issued 70,680,000 new ordinary shares at $2 per share to the general public through its IPO. The additional issue of shares increased the total number of issued shares to 353,400,000.

7. Deferred tax liability

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as follows:

	2018	2017
	$	$
Balance at beginning of year	**(9,455,019)**	10,494,074
Change during the year (Note 12i)	**9,455,019**	(19,949,093)
Balance at end of year	**-**	(9,455,019)

Deferred tax balance arose on temporary differences in respect of the following:

	2018	2017
	$	$
Deferred tax asset on:		
Unused tax losses	**-**	1,284,148
Deferred tax liability on:		
Property, plant and equipment	**-**	(10,739,167)
Net deferred tax liability	**-**	(9,455,019)

8. Long-term loans

	2018	2017
	$	$
(i) NCB loans	**107,421,443**	29,082,731
(ii) Sagicor Bank loan	**3,865,883**	5,466,238
(iii) General Electric Company - Promissory Note	**76,375,000**	-
	187,662,326	35,548,969
Less: Current portion of long term loans	**(21,544,500)**	(7,600,000)
Total	**166,117,826**	26,948,969

i The NCB loans bear interest of 10.25% and 9.75% per annum with due dates of April 2021 and June 2027 respectively.

The loans are secured by a Bill of Sale over diagnostic equipment.

ii The Sagicor loan bears interest of 9.50% per annum and is to be repaid by October 31, 2020.

The credit facility is secured by a promissory note executed by the borrower along with borrowing resolution supported by:

- Guarantee from Development Bank of Jamaica credit enhancement fund for $6,400,000.

- Corporate bill of sale over 42kw Solar Grid.

- Subordination of all Directors loans.

iii This represents a promissory note from General Electrical Company – Health Care Division (GEHC) denominated in United States Dollar. The note is repayable over twenty-one (21) months commencing July 1, 2018. Interest on the note is at 8.5% per annum.

9. Payables and accruals

	2018	2017
	$	$
Electricity and telephone	**894,978**	139,128
Statutory	**710,926**	57,624
Audit fee	**250,000**	225,000
Credit card	**205,139**	1,248,252
Other	**2,576,285**	1,830,812
Total	**4,637,328**	3,500,816

10. Expenses by nature

Total administrative and other operating expenses:

	2018	2017
	$	$
Rent	**15,757,843**	7,872,912
Audit fees	**1,054,444**	500,000
Legal and professional fees	**3,076,524**	38,000
Employee costs (Note 15)	**34,015,268**	31,968,643
Advertising	**3,143,778**	5,337,162
Maintenance	**8,712,689**	8,811,266
Utilities	**17,476,610**	7,319,946
Insurance	**3,440,799**	2,438,139
Computer expenses	**1,944,746**	1,899,460
Software license	**1,088,417**	1,289,087
Cleaning and sanitation	**1,459,510**	1,177,332
Office supplies	**3,150,048**	1,044,279
Directors fees	**420,000**	-
Other expenses	**5,906,734**	2,370,802
Total	**100,647,410**	72,067,028

11. Finance costs

	2018	2017
	$	$
Interest on long-term loans	**16,052,015**	8,040,020

12. Income tax

(i) Income tax adjusted for tax purposes and computed at the tax rate 25% comprise:

	2018 $	2017 $
Current tax expense	**404,398**	60,000
Deferred tax (credit)/expense (Note 4)	**(9,455,019)**	19,949,093
	(9,050,620)	20,009,093
Prior year tax adjustment	**-**	(4,658,166)
Total	**(9,050,620)**	15,350,927

Prior year tax adjustment arose from the over provision of tax expense in prior year.

(ii) Reconciliation of theoretical tax credit to effective tax charge:

	2018 $	2017 $
Profit before tax	**37,081,604**	59,556,344
Tax at applicable rates of 25%	**9,270,401**	14,742,059
Minimum Business Tax	**60,000**	60,000
Adjustment for non-deductible expenses	**7,178,766**	7,122,572
Effect of allowances and tax remission	**(16,048,056)**	(7,098,530)
Prior year adjustment	**-**	(4,658,166)
Other charges	**(9,511,731)**	5,182,992
Tax (credit)/expense	**(9,050,620)**	15,350,927

The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

13. Earnings per shares

Earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue for the year.

	2018 $	2017 $
Profit attributable to shareholders	**44,913,416**	44,205,417
Weighted average number of shares	**307,893,699**	282,720,000
Basic and diluted earnings per share	**0.14**	0.15

14. Segment information

The company's revenue is derived mainly from diagnostic imaging services, as a result there is no relevant segment information.

15. Employee costs

	2018 $	2017 $
Salaries and wages	**24,076,665**	23,870,825
Statutory contributions	**6,346,883**	4,172,724
Pension costs	**466,390**	719,487
Staff welfare and training	**3,125,330**	3,925,094
Total	**34,015,268**	31,968,643

16. Balances and transaction with related parties

(i) At the reporting date there were no balances due to or from related parties.

(ii) Transactions with key management

The compensation of key management for services is shown below:

	2018 US$	2017 US$
Fees paid to directors	**420,000**	-
Salaries and other short-term employee benefits	**6,537,455**	3,440,884
Total	**6,957,455**	3,440,884

17. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
The company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US$) the company however, maintains US$ bank accounts in an attempt to manage this risk.

At the end of the reporting period there were net (liabilities)/assets of approximately US$248,030 (2017 - $307,646) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk

	2018 US$	2017 US$
Financial assets		
- Cash and cash equivalents	**344,291**	312,521
Financial liability		
- Trade payables	**(4,821)**	(4,875)
- Long-term loan	**(587,550)**	-
Total	**(248,030)**	307,646

The above assets/(liabilities) are receivable/(payable) in United States Dollars (US$). The exchange rate applicable at the end of the reporting period is J$130 to US$1 (2017 - J$128 to US$1).

Foreign currency sensitivity

The following table illustrates the sensitivity and the impact on profit for the year of company's financial assets and financial liabilities to foreign exchange rates, all other things being equal. The sensitivity analysis is based on the company's foreign currency financial instruments held at each reporting date. Only movements between the Jamaican dollar and the United States dollars are considered, as these are the two major currencies of the company.

Effect on profit before tax:

If the Jamaican dollar weakens by 5% (2017 - 6%) against the United States dollar then this would have the effect shown below on the basis that all other variables remain constant.

	Percentage change %	Effect on earnings $
2018	**5**	**(1,736,210)**
2017	**6**	**2,374,217**

If the Jamaican dollar strengthens against the United States dollar by 1% (2018 - 1%) this would have the following effect:

	Percentage change %	Effect on earnings $
	1	**322,439**
2018	**1**	**(395,703)**
2017		

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.
The company invests excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions. Short-term deposits are invested for one-month periods at fixed interest rates and are not affected by fluctuations in market interest rates up to the date of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

The company faces credit risk in respect of its receivables and bank balances. There is significant concentration of credit risk in receivables. However, this risk is controlled by close monitoring of these assets by the company. In addition, bank balances are maintained with licensed financial institutions considered to be stable.

The maximum credit risk faced by the company is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	2018	2017
	$	$
Bank balances	**121,693,474**	75,745,301
Receivables	**10,656,715**	6,097,024
Total	**132,350,189**	81,842,325

c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near liquid form to meet its needs. The company maintains cash and demand deposits to meet its liquidity requirements.

The table below presents the undiscounted cash flows payable (both interest and principal) of the company's financial liabilities based on contractual repayment over the next 12 months.

	1 - 3 Months	**3 - 12 Months**	**1- 5 Years**	**Over 5 Years**
	$	**$**	**$**	**$**
Bank loans	**9,783,156**	**33,854,345**	**172,503,955**	**71,435,860**
Payables and accruals	**4,637,328**	**-**	**-**	**-**
Total	**14,420,484**	**33,854,345**	**172,503,955**	**71,435,860**

18. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices). (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). (Level 3).

The company's financial assets and liabilities are measured at amortised costs and the fair values for these are disclosed at Note 19.

19. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting periods under review may also be categorised as follows:

	2018	2017
	$	$
Loans and receivables		
Receivables	**10,656,715**	6,097,024
Cash and bank balances	**122,019,683**	76,303,124
Total	**132,676,398**	82,400,148
Financial liabilities measured at amortised cost		
Trade and other payables	**4,637,328**	3,500,816
Loans	**187,662,326**	35,548,969
Total	**192,299,654**	39,049,785

20. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company's Board of Directors review the financial position of the company at regular meetings.

The company is not subject to any externally imposed capital requirements.

21. Leased premises

The company operates from leased premises at 1B Holborn Road and 164½ Old Hope Road. The leases expire August 10, 2022 and August 31, 2022 respectively. Total amount paid under these leases for the year amounted to $15,757,843.

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