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Integrated Diagnostics Holdings PLC
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Integrated Diagnostics Holdings Plc

Final Results

Tuesday, 21 March 2017

Integrated Diagnostics Holdings Plc Results for the year ended 31 December 2016

(London) Integrated Diagnostics Holdings ("IDH" or "the Group"), IDHC on the London Stock Exchange, Egypt's largest fully integrated private-sector provider of medical diagnostics services, announced today its results for the year ended 31 December 2016.

Financial & Operational Highlights

- **Revenues** up 15% in 2016 to EGP 1,171 million, driven largely by better pricing as well as the impact of volume and the foreign currency translation of results from IDH's Sudanese and Jordanian subsidiaries into Egyptian pounds.
- **Gross profit** increased 15% period-on-period to EGP 628 million on the back of strong cost discipline despite macro-economic headwinds including a high-inflation environment.
- **Operating profit** of EGP 466 million compared with EGP 267 million in 2015. The comparative figure for last year reflects the impact of fees associated with IDH's initial public offering on the London Stock Exchange of EGP 125 million as well other non-recurring expenses of EGP 6.0 million.
- **EBITDA[1]** of EGP 511 million, up from EGP 304 million in 2015.
- **Net foreign exchange loss** amounted to EGP 89 million compared with a net forex gain of EGP 3.5 million in 2015.
- **Net profit** of EGP 267 million, up from EGP 155 million in 2015.
- **Earnings per Share** of EGP 1.74, up from EGP 0.97 in 2015.
- **Recommended final dividend** of US$ 0.14 (fourteen US cents) per share, equivalent to US$ 21 million in total compared with US$ 0.06 (six US cents) per share, equivalent to US$ 9 million in total in 2015.

[1]EBITDA is calculated as operating profit plus depreciation and amortisation. EBITDA for 2015 reflects the impact of fees associated with IDH's initial public offering on the London Stock Exchange of EGP 125 million as well other non-recurring expenses of EGP 6.0 million.

Commenting on the year's performance and the Company's outlook, IDH Chairman Lord St John of Bletso said:

"Despite the strong macro-economic headwinds faced by Egypt, I am pleased to report that your Company delivered resilient operating results for 2016. Whilst our commanding brand position in Egypt offers further opportunities to both expand and extend our business in that nation, we are looking to expand our geographic reach, particularly in other high-growth markets in Africa and the Middle East."

IDH Chief Executive Officer Dr. Hend El-Sherbini added:

"Management took important proactive steps in 2016 to insulate the Company as much as possible from the negative impact of a more than 50% currency devaluation and associated inflationary pressure. To spur sales throughout the year, our advertising and marketing teams launched preventive healthcare campaigns to encourage doctors to promote - and patients to take advantage of - recurring diagnostic packages for lifestyle-related diseases and chronic health conditions. We also engaged with our key suppliers to negotiate more moderate price increases to mitigate the pressure on operating margins. Our ability to keep the costs of our materials in check reflects both the strength of our supplier relationships and the significant volumes we regularly purchase from them."

"In Egypt, our focus in 2017 will be on broadening our base of patients and increasing our revenues per patient through educational and scientific marketing messages that stress the quality and safety of our brands. We also see ample room to increase accessibility to laboratory services by opening more branch labs around the country," El-Sherbini noted.

"We are also mindful of the opportunity to make acquisitions outside Egypt in Africa and the Middle East, where our business model is well-suited to capitalise on similar healthcare and consumer trends and capture significant share of fragmented markets. We are as keen as ever to build the Company through focused acquisitions, but at the same time mindful of finding the right balance of timing and strategic fit that would maximise shareholder value over the long term."

Outlook

IDH's growth strategy rests on leveraging its established business model to achieve four key strategic goals, namely: (1) continue to expand customer reach; (2) increase tests per patient by expanding the Group's services portfolio; (3) expand into new geographic markets through selective, value-accretive acquisitions; and (4) introduce new medical services by leveraging the Group's network and reputable brand position.

About Integrated Diagnostics Holdings (IDH)

IDH is the largest fully integrated private-sector medical diagnostics services provider in Egypt, comprehensively offering pathology and molecular diagnostics, genetics testing and basic radiology. IDH's core brands include Al Borg and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and the Medical Genetics Centre, which operates in Egypt. IDH is listed on the London Stock Exchange (ticker: IDHC) and was founded in 2012 by the merger of Al Borg and Al Mokhtabar, the most established diagnostics services brands in Egypt. Learn more at idhcorp.com.

Shareholder Information

LSE: IDHC.L

Bloomberg: IDHC:LN

Listed: May 2015

Shares Outstanding: 150 million

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Cautionary Statement

These Year-End Results have been prepared solely to provide additional information to shareholders to assess the Group's performance in relation to its operations and growth potential. These Year-End Results should not be relied upon by any other party or for any other reason. This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Chairman's Statement

Despite the strong macro-economic headwinds faced by Egypt, I am pleased to report that your Company delivered resilient operating results for 2016.

Our ability to continue to show resilient performance despite the currency crisis of 2016 (with a wide gulf between official and parallel market prices of foreign exchange, culminating in a free-float of the Egyptian pound in November that saw the currently lose more than 50% of its value) and continued high-inflation environment is testament to our established, trusted brands; internationally accredited laboratories; scalable business model; and wide-reaching branch network.

I am now significantly more optimistic on the political and economic future of Egypt. The country is now better positioned to make progress in stabilising the currency and accelerating economic growth following the recent much-needed fiscal and monetary reforms and the US$ 12 billion International Monetary Fund (IMF) extended fund facility. This was most recently underscored by the government's success with its oversubscribed US$ 4 billion Eurobond offering in the early weeks of 2017.

Whilst our commanding brand position in Egypt offers further opportunities to both expand and extend our business in that nation, with our LSE listing - and with the success of our stable and proven diagnostics services platform - we are looking to expand our geographic reach, particularly in other high-growth markets in Africa and the Middle East.

We are acutely cognisant that improving and sustaining execution requires the ongoing enhancement of human capital. To this end, the senior management team led by our Chief Executive Dr. Hend El Sherbini, whose accomplishments and vision continue to underpin the Company's progress, will be enhanced with additional senior appointments to support the Company's growing footprint.

Your Board and management are committed to meeting shareholder expectations, and we are also very cognisant of our responsibilities regarding accountability, transparency and good governance.

Our mission is to continue to deliver sustainable growth with additional value-added services in existing jurisdictions while actively pursuing value-accretive acquisitions in new geographies that will realise the Company's full potential as a regional success story.

Lord St John of Bletso
Chairman

A Note from Our CEO

2016 demonstrated our Company's fundamental ability to deliver a strong operating performance in a year characterised by extraordinary macro-economic headwinds in our principal market. In Egypt, where we generated 87% of our 2016 revenues, the primary factor in our business environment was the build-up to the devaluation of the Egyptian pound. This came to a head in early November when the Central Bank of Egypt allowed the interbank market to set the value of the pound relative to key foreign currencies. This was followed days later by the International Monetary Fund's (IMF) approval of a three-year, US$ 12 billion extended fund facility that underpinned the strong government commitment to an ambitious package of economic reform.

In the months prior to the devaluation, a parallel exchange rate had opened up; confidence and investment fell, and there was mounting inflationary pressure on consumers. The devaluation, whilst representing a major economic dislocation that heralded what is expected to be a transient period of rising inflation, has reset the economy and is leading to a resumption of investments and more optimistic outlook.

In absolute terms, the Egyptian pound accordingly lost 56% of its value in 2016 (from an official value of EGP 7.83 : US$ 1 on 1 January 2016 to EGP 18.00 per US$ 1 on 31 December 2016), pressuring inflation to a seven-year high of 24% at year end. By January 2017, headline inflation stood at 28%, with inflation in healthcare running at 33%.

Our response to these economic forces in 2017 - as last year - will be enabled by the fundamental strength of our brands as well as our scalable, asset-light business model. We will continue to leverage our unequalled network of branches (which provides us with the widest reach of any provider of diagnostic services in the Egyptian market) and our long-standing relationships with leading equipment and kit providers for whom we are key partners on a regional basis.

Together with our strong marketing infrastructure targeting patients and physicians alike, this will provide us with an opportunity to enhance our market share in Egypt in 2017 as smaller laboratories and chains lacking our financial resources and assets struggle to keep pace with a challenging environment.

Our revenues increased 15% period-on-period to EGP 1,171 million in 2016, underpinned by our strong brands, which over the past 38 years have come to be synonymous with quality and safety. We were able to raise prices selectively to achieve top-line growth, driving our key metrics of average revenue-per-patient up 15% and our average revenue-per-test 14% higher.

While the total number of patients we served in 2016 was approximately the same as a year earlier, we saw a continued shift in our mix of walk-in versus corporate contract patients. Individuals paying for their own healthcare have been cutting back on their spending in reaction to high inflation and economic uncertainty. Thus, whilst corporate patient volumes were nominally higher, walk-in patient volumes declined slightly. Our business has benefited from the rising numbers of patients covered by corporate healthcare agreements, a counterbalancing trend we expect to continue in 2017. In parallel, we will continue to deliver targeted marketing campaigns to capture higher-margin walk-in traffic.

This shift from higher-margin walk-ins to lower-margin corporate clients is a short-term challenge, but we believe it will ultimately accrue to IDH's benefit. Average revenue per test may decline in the short term, but the long-term restructuring of the market in favour of corporate-led contracts benefits large, multi-branch players with the broadest footprints, most-trusted brands and lower cost driven by economies of scale.

Management took important proactive steps in 2016 to insulate the Company as much as possible from the negative impact of the currency devaluation and associated inflationary pressure. To spur sales throughout the year, our advertising and marketing teams launched preventive healthcare campaigns to encourage doctors to promote - and patients to take advantage of - recurring diagnostic packages for lifestyle-related diseases and chronic health conditions. We also engaged with our key suppliers to negotiate more moderate price increases to mitigate the pressure on operating margins. Our ability to keep the costs of our materials in check reflects both the strength of our supplier relationships and the significant volumes we regularly purchase from them. While we successfully renegotiated key supplier contracts in early 2017, further volatility in the foreign exchange rate may lead to discussions on price at some point during the year.

Our geographic footprint grew 13% in 2016 to 354 branches in total at year end. We opened 39 new units in Egypt and three in Jordan, while we closed two in Sudan. The investment in our state-of-the-art central Mega Lab, which when inaugurated in 2015 doubled our capacity, continued to pay off, enabling us to further deploy our Hub, Spoke and Spike business model at a comparatively low capital cost.

To support all of our future growth plans, our company will be consolidating our current corporate offices in downtown Cairo into a new headquarters. In 2017, we are planning to acquire a building in Smart Village, a corporate office park in the city of 6th of October, located slightly west of Cairo, that will provide sufficient space for headquarters and central staff.

Proposed Dividend and Dividend Policy

We are pleased to propose paying a final dividend of US$ 0.14 (fourteen US cents) per share, or US$ 21 million in aggregate, to shareholders in respect of the financial year ended 31 December 2016. This represents an increase of more than 100% compared to a final dividend of US$ 0.06 (six US cents per share) or US$ 9.0 million in aggregate the previous financial year.

In view of the strong cash-generative nature of our business and its asset-light strategy, our dividend policy is to return to shareholders the maximum amount of excess cash after taking careful account of the cash needed to support operations, capital expenditure plans, organic expansion opportunities, and potential acquisitions.

A proactive approach to cash management has enabled IDH to convert the Egyptian pound-denominated earnings into US$.

Outlook on 2017

We are optimistic that 2017 will see the beginning of improvement in macro-economic conditions in Egypt. While the negative impact of currency devaluation and inflation have challenged the counter-cyclicality of the healthcare system in 2016, strong fundamentals continue to support a positive outlook for growth in diagnostics services in Egypt. With more people than any other country in the region at c. 92 million, Egypt hosts a large and growing number of the elderly, a significant segment of the Egyptian diagnostics industry. The Egyptian population is also marked by low awareness of health issues, a high prevalence of diseases requiring high test volumes, and most labs are still concentrated in big cities. Finally, the rapid pace of population growth and a large cohort of individuals entering the workforce over the coming decade all speak to continued demand for healthcare services.

In Egypt, our focus in 2017 will be on broadening our base of patients and increasing our revenues per patient through educational and scientific marketing messages that stress the quality and safety of our brands. Our Al Borg and Al Mokhtabar brands are recognised and trusted, with a loyal following, and together accounted for 87% of IDH's revenue in 2016. We also see ample room to increase accessibility to laboratory services by opening more branch labs around the country. The strength of our brands would also support expansion into adjacent healthcare verticals. Our sights are set on complementary diagnostic services that in combination would raise IDH's profile to that of a "one-stop-shop" diagnostics provider.

We are also mindful of the opportunity to make acquisitions outside Egypt in Africa and the Middle East, where our business model is well-suited to capitalise on similar healthcare and consumer trends and capture a significant share of fragmented markets. We are as keen as ever to build the Company through focused acquisitions, but at the same time mindful of finding the right balance of timing and strategic fit that would maximise shareholder value over the long term.

We do expect macro-economic challenges to persist in the coming year, in particular inflationary pressures on our operating margins. Inflation will have a negative impact on the spending habits of our patients; our ability to pass on some price increases; and the positive impact from our targeted marketing campaigns. Based on our assessment of the operating environment as we begin the new year, we would guide investors to expect that although we believe a double-digit increase in revenues is achievable, our EBITDA margin could be in the range of 40-43%, only marginally down from last year's 44%.

I remain optimistic about IDH's growth prospects in Egypt and beyond, and look forward to updating you on our progress on all fronts in the coming year. I am honoured to have you on this journey with us.

Dr. Hend El-Sherbini
Chief Executive Officer

Operational Review

IDH delivered strong operational and financial performances in the year ended 31 December 2016, most notably against the backdrop of significant macro-economic challenges in its home market of Egypt. The Group's top line was driven largely by better pricing, as well as the impact of volume and foreign currency translation of results from the Group's Sudanese and Jordanian subsidiaries into Egyptian pounds. Bottom-line results notably reflect the impact of fees amounting to EGP 125 million associated with the Company's initial public offering on the London Stock Exchange in 2015 (as well other non-recurring expenses of EGP 6.0 million) against nil in 2016.

The Company continued to invest in expanding its geographic footprint, supported by its state-of-the-art Mega Lab with excess capacity that enables the Group to deploy its Hub, Spoke and Spike business model to open capital efficient "C" labs more rapidly. During 2016, the Group added 40 new labs in total, including 19 new branches for Al Mokhtabar (Egypt), 20 new branches for Al Borg (Egypt) and 3 new branches for Biolab (Jordan); one branch each was closed for Ultralab and MK Sudan, both of which operate in Sudan. Total IDH branches reached 354 as of 31 December 2016 versus 314 branches at 2015 year end, for 13% total unit expansion.

Our Customers

IDH serves two principal types of clients: contract (corporate) and walk-in (individuals). Within each of these categories, the Group also offers a house call service and within the contract segment, a lab-to-lab service.

Contract Clients

IDH's contract clients, who in 2016 represented 61% of the Group's revenues, include institutions such as unions, private insurance companies and corporations who enter into one-year renewable contracts at agreed rates per-test and on a per-client basis. During 2016, IDH served 4.2 million patients under these contracts and performed a total of 18.5 million tests, with no single contract client accounting for more than 1.1% of revenues. Within the contract segment, IDH also provides lab-to-lab services for hospitals and other laboratories not able to process certain tests in house.

Walk-in Clients

IDH derived 39% of its revenues in 2016 from walk-in clients. Walk-in clients numbered 1.6 million in 2016, representing 28% of total patients served. As IDH's markets develop and become more institutionally oriented, more patients will be performing pathology tests under corporate agreements, a trend that plays to the Group's strength with the best economies of scale in the Egyptian diagnostics industry.

Financial Review

The results for the year are summarised below:

EGP million	2016	2015	% Change
Revenue	**1,171**	**1,015**	**15%**
Cost of sales	(543)	(468)	16%
Gross profit	**628**	**547**	**15%**
Gross profit margin %	*54%*	*54%*	-
Operating expenses	**(162)**	**(280)**	**-42%**
Operating profit	466	267	74%
Depreciation	45	36	25%
Amortisation	-	-	-
EBITDA*	**511**	**304**	**68%**
Net profit	**267**	**155**	**72%**

*EBITDA is calculated as operating profit plus depreciation and amortisation. EBITDA for 2015 reflects the impact of fees associated with IDH's initial public offering on the London Stock Exchange of EGP 125 million as well other non-recurring expenses of EGP 6.0 million.

IDH Revenue by Type and Key Performance Indicators

	2016	2015
Contract Clients		
Revenue (EGP mn)	713	615
Patients ('000)	4,174	4,074
Tests ('000)	18,540	18,173
Walk-in Clients		
Revenue (EGP mn)	458	400
Patients ('000)	1,642	1,718
Tests ('000)	5,530	5,660
Total revenue (EGP mn)	1,171	1,015
Total patients ('000)	5,816	5,792
Total tests ('000)	24,070	23,833
Tests per patient	4.15	4.11
Revenue per patient (EGP)	*201*	*175*
Revenue per test (EGP)	*49*	*43*

Breakdown of Total Revenue

Type	% of total 2016 revenues	% of total 2015 revenues
Contracts - Unions	14%	18%

Contracts - Banks	2%	2%
Contracts - Corporate	25%	18%
Contracts - Government Institutions	2%	4%
Contracts - Hospitals	4%	5%
Contracts - Public Insurance	6%	7%
Contracts - Medical Care	7%	7%
Contracts as % of total revenue	**61%**	**61%**
Walk-ins as % of total revenue	**39%**	**39%**

In respect of this summary, the Group notes:

Revenue Analysis

Consolidated revenues increased 15% year-on-year to EGP1,171 million, underpinned by IDH's strong brands and focused marketing strategies. While the total number of patients in 2016 was on par with that of 2015, the combination of selected price increases and a better mix of test types drove growth of the top line. This can be seen in the key metrics of average revenue-per-patient (up 15% year-on-year across both contract and walk-in patients) and average revenue-per-test (14% higher year-on-year across both patient categories).

Revenues from contract clients increased 16% in 2016, despite gains of only 2% in patient and test volumes. It is noteworthy that in a difficult year, this strong revenue performance was achieved on top of a 31% year-on-year gain in 2015, further demonstrating the trend toward corporate health insurance coverage, in particular in the Group's principal market of Egypt. In the contract client category, average revenue-per-patient and average revenue-per-test increased 15% and 14% period on period, respectively. IDH signed 456 new corporate contracts with insurers last year versus 312 in 2015.

Revenues from walk-in clients gained 14% year-on-year, even as the number of walk-in patients decreased 4% and the number of walk-in tests declined 2%. In part, this reflects consumer migration toward corporate healthcare agreements, a shift in mix expected to continue. Since late 2015, however, walk-in patient volumes have been hurt as consumers have been curbing their spending in general in reaction to the high inflation associated with the devaluation of the Egyptian pound. Average revenue per walk-in patient rose 13% period-on-period, while average revenue per walk-in test climbed 14%.

In particular, IDH has been successful in maintaining high levels of walk-in volumes against the backdrop of unprecedented high inflation through tactical marketing campaigns targeting families of recurring tests of patients with lifestyle and other chronic diseases. These campaigns emphasise the Group's brand messages of quality and safety; and they are educational in nature, encouraging medical testing and offering value packages and promotions for diabetes treatment, pregnancy check-ups and weight management, among others.

The largest factor backing higher revenues in 2016 was price and mix of tests (58%), followed by test volumes (24%) and currency translation (18%).

The currency effect was due to the translation of revenues in local currencies from Sudan and Jordan into Egyptian pounds. In 2016, the Sudanese pound (SDG) was translated at an average rate of 1.204 (2015: 1.144) while the Jordanian dinar (JOD) was translated at an average rate of 14.573 (2015: 10.815).

On a geographic basis, Egypt contributed 87% of Consolidated Group Revenues in 2016 followed by Jordan at 10% and Sudan at 3%. In 2015, Egypt accounted for 90%, Jordan for 7% and Sudan for 3%.

Cost of Sales

Cost of sales increased 16% year-on-year to EGP 543 million in 2016 compared with EGP 468 million in 2015. Raw material costs were positively leveraged, as IDH maintained strict cost disciplines in what was a challenging economic environment. The Group was also able to negotiate favourable contract terms with its three main suppliers: Roche, Siemens and BM (Sysmex). The ability to keep material costs in check is reflected in the competitive advantages of both the strength of the Company's supplier relationships and the large volumes that it regularly purchases from them. Thus, in the high inflation environment in Egypt associated with the currency devaluation, the prices of test kits have been increasing at a slower rate than that at which the Egyptian pound has lost value against the US dollar.

Wages and salaries were the largest component of cost of sales in 2016 at 36% of total (2015: 34%) and rose 22% year-on-year. The increase was driven by annual employee salary raises and by new hires primarily associated with branch expansion. Higher employee profit share entitlement for Egyptian operations, based on annual growth in net profits in 2016, was also a factor.

The depreciation expense accounted for in COGS increased 24% to EGP 41 million in 2016 (2015: EGP 33 million). The difference was primarily due to the depreciation of leased equipment calculated for a full year in 2016 compared with 7.5 months in 2015 and the opening of 40 new branches last year.

Gross Profit

Gross profit increased 15% for the year, or in line with revenues, to EGP 628 million compared with EGP 547 million in 2015. The Group's gross profit margin was accordingly flat in 2016 compared with 54% in 2015. As discussed above, this reflected the Company's ability to maintain cost discipline and negotiate favourable pricing with suppliers despite macro-economic headwinds.

Operating Expenses

Operating expenses were EGP 162 million in 2016 versus EGP 280 million in 2015. As a percentage of sales, operating expenses fell to 13.2% from 25.8% a year earlier. The primary reason for this was the absence of expenses in 2016 related to the Company's IPO the previous year, which totalled EGP 125 million.

Other factors that represented favourable year-on-year expense swings included lower allowances for bad debt collection; reduced provisions related to legal cases; and the release of a provision no longer required.

Operating Profit

Operating profit for 2016 was accordingly EGP 466 million compared with EGP 267 million in 2015.

EBITDA

EBITDA rose 68% to EGP 511 million, with an associated EBITDA margin improvement to 44%. EBITDA in 2015 included IPO costs of EGP 125 million as well as the write-off of costs of EGP 6.0 million relating to plans to set up operations in Qatar, the closure of Molecular Diagnostics Centre in Cairo, and surplus stationery stock included within inventory.

Egyptian operations contributed just under 94% of EBITDA, Jordan slightly less than 5% and Sudan nearly 2% in 2016. In 2015, these contributions stood at 94% Egypt, 4% Jordan and 2% Sudan.

We consider EBITDA to be an appropriate alternative performance measure, as it is a metric commonly followed by the institutional investment community.

Foreign Exchange

In 2016, the Group's net foreign exchange loss amounted to EGP 89 million, as an FX loss of EGP 133 million more than offset an EGP 44 million FX gain. This compares with a net foreign exchange gain of EGP 3.5 million in 2015.

Out of the EGP 133 million foreign exchange loss, EGP 105 million was primarily attributable to revalued foreign denominated contracts with major suppliers. The FX gain of EGP 44 million was mainly due to the revaluation of intercompany balances between IDH and its subsidiaries and with the different functional currencies within the Group including the Egyptian pound, the Sudanese pound, the Jordanian dinar and the US dollar.

During 2016, IDH purchased US$ 14.2 million at an average US$:EGP price of 11.62.

Taxation

In 2016, IDH recorded income tax expense of EGP 136 million, with an effective tax rate of 31% versus 44% in 2015. There is no tax payable in the two IDH holding companies (Jersey and Cayman); thus, costs incurred at the holding company level are not tax deductible. These would include, but are not limited to, KPMG UK fees and IDH administrative fees in London.

All tax is paid within the Group's operating companies. The corporate income tax rates in countries in which IDH operates are as follows: Egypt 22.5%, Sudan 15.0% and Jordan 20.0%.

The Group's dividend policy is to distribute any excess cash after taking into consideration all business cash requirements and potential acquisition considerations. As a result, a deferred tax liability is recognised for the 5% tax on dividends for the future expected distribution payable by Egyptian entities under Egyptian tax legislation. Deferred tax in 2016 amounted to EGP 14.1 million (gain) compared with EGP 11.4 million (loss) in 2015.

Net Profit

Net profit for the year was EGP 267 million versus EGP 155 million recorded in 2015. Net profit in 2015 included the impact of fees amounting to EGP 125 million associated with the Company's initial public offering on the London Stock Exchange against nil in 2016. These results also include the net impact of an EGP 89 million foreign exchange loss in 2016 compared with the net impact of an EGP 3.5 million foreign exchange gain in 2015.

Balance Sheet

On the Assets side of the balance sheet, property, plant and equipment (PPE) rose to EGP 391 million at 31 December 2016 from EGP 338 million a year earlier due to the opening of 40 new branches in 2016, as well as new investment in Information Technology systems.

In 2015, IDH entered into equipment lease agreements with its major suppliers that became effective in May 2015. The agreement periods range from five to eight years, which is deemed to reflect the useful life of the equipment. The agreements include annual commitment payments to cover the supply of medical diagnostic equipment, test kits and chemicals to be used for testing and ongoing maintenance and support services over the term of the agreement. If the minimum annual commitment payments are met over the agreement period, ownership of the equipment supplied will legally transfer to IDH. On one side, the leased equipment is recorded in PPE, and the finance lease is recorded as a liability on the other side.

Trade and other receivables rose 27% to EGP 148 million compared with EGP 117 million in 2015. The gain was primarily due to higher pre-paid expenses and an increase in the net accounts receivable balance associated with the higher revenues generated by contract clients.

On the Liabilities side, trade and other payables increased to EGP 346 million in 2016 from EGP 230 million in 2015 as the overall supplier balance rose due to management's decision to accumulate inventory as a hedge against further devaluation of the Egyptian pound. The 13% Value Added Tax (VAT) also contributed to the higher supplier balance, as did an increase in the put option liability related to the Company's Jordanian operation.

Inventories at 2016 year end were EGP 52 million, up 51% versus a year ago, also reflecting the decision to hedge against further currency devaluation.

During 2016, IDH managed to deliver strong operational cash flow, which led to an increase in the cash balance at year end of c.76% compared to 31 December 2015.

Dividend

Proposed dividends for ordinary shares are subject to the approval of the Annual General Meeting and are not recognised as a liability as at 31 December 2016. The Board of Directors has recommended that a final dividend of US$ 0.14 (fourteen US cents) per share, or US$ 21 million in aggregate, should be paid to shareholders who appear on the register as at 12 May 2017, with an ex-dividend date of 11 May 2017. The payment date for the dividend will be 6 June 2017.

Going Concern

Having made enquiries, the Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these consolidated financial statements. Thus, they continue to adopt the going concern basis in preparing the financial information.

Principal Risks, Uncertainties and Their Mitigation

As in any corporation, IDH has exposure to risks and uncertainties that may adversely affect its performance. IDH Chairman Lord St John of Bletso has emphasised that ownership of the risk matrix is sufficiently important to the Group's long term success that it must be equally shared by the Board and by senior management.

While no system can mitigate every risk - and some risks, as at the country level, are largely without potential mitigants - the Group has in place processes, procedures and baseline assumptions that provide mitigation. The Board and senior management agree that the principal risks and uncertainties facing the Group include:

Specific Risk	Mitigation
Country risk - Political & Security Egypt and the wider MENA region, where the Group operates, have experienced political volatility since 2011 and continue to experience occasional terrorist incidents. There remains a risk of occasional civil disorder.	See mitigants for "Country / regional risk - Economic," below.

Country / regional risk - Economic	
The Group is subject to the economic conditions of Egypt specifically and, to a lesser extent, those of the wider MENA region. Egypt accounted for c. 87% of our revenues in 2016 (2015: 90%). **High inflation:** Egypt's headline inflation rate closed December 2016 at a record-high of 23.3%, pressured by food prices increases. Consensus expectations are for inflation to remain at high year-on-year levels throughout the first half of 2017, gradually decelerating to c. 14% by mid-year.	As with country risk, this is largely not subject to mitigation. In both political / security and economic risk, management notes that IDH operates in a defensive industry and that the business continued to grow year-on-year through two revolutions, as well as under extremely difficult operating conditions in 2016. High inflation is one consequence of Egypt's policy restructuring cycle. The structural change under way in government spending and general repricing of goods and services represents a reversal of 50 years of comprehensive government support. While it will take time, the reform program is designed to put the country on a more sustainable path to growth and fiscal consolidation. The Group's contemplated acquisitions outside of Egypt would also mitigate the Egypt-specific country risk over time.

Foreign currency and banking regulation risk

Foreign currency risk: The Group is exposed to foreign currency risk on the cost side of the business. The majority of supplies it acquires are paid in Egyptian pounds (EGP), but given they are imported, their price will vary with the rate of exchange between the EGP and foreign currencies. In addition, a portion of supplies are priced and paid in foreign currencies.

As was the case in 2015, Egypt experienced in 2016 a foreign currency shortage that limited the ability of companies to source foreign exchange. That shortage worsened in 2016 and resulted in a wide gap between the official and parallel market value of the Egyptian pound against the US dollar and other key foreign currencies. This shortage was accompanied by measures to limit the import of non-essential goods as well as others designed to restrict cash deposits of foreign currency and to slow the transfer of foreign currency out of the country. In parallel, the Central Bank of Egypt (CBE) enforced in 2016 a 13-year-old rule that forbade any Egyptian company from paying another Egyptian company in foreign currency.

The CBE moved to a fully floating foreign exchange regime on 3 November 2016, since which time the value of the Egyptian pound against the US dollar has been set by the interbank market. As of 31 December 2016, the pound had lost 56% of its value against the US dollar compared to its value as at 1 January 2016. The Egyptian pound closed 2016 at 18.00 per US$ 1.00 against an opening rate of EGP 7.83.

The Egyptian pound was valued at 18.06 to US$ 1.00 as of 15 March 2017.

Banking regulation risk: A priority list and allocation mechanism imposed by the CBE was in effect throughout 2016 to prioritise essential imports. This mechanism was in place in response to an active parallel market for foreign exchange.

While foreign exchange is increasingly available following the November 2016 float of the Egyptian pound and price set by the interbank mechanism, IDH faces the risk of variability in the exchange rate as a result of economic and other factors.

IDH's exposure to foreign currency risk takes two primary forms: price and availability. Price risk impacts the cost of supplies (almost all imported, either directly by IDH or by third parties), on which spending was equivalent to c. 16% of revenues in 2016 (2015: 17%). Management believes that it can mitigate the effects of devaluation through a combination of improved pricing and cost efficiencies (see Supplier Risk below for more).

Only 15% of IDH's cost of supplies (c. 2% of revenues) are payable in US dollars, minimising the Group's exposure to foreign exchange (FX) scarcity and in part, the volatility of the Egyptian pound.

In 2016, IDH recorded a net foreign exchange loss of EGP 89 million compared with a net foreign exchange gain of EGP 3.5 million in 2015.

The priority list and allocation mechanism have been relaxed following the float of the Egyptian pound. Companies now report increasing availability of foreign exchange for imports. The parallel market for foreign exchange is presently dormant.

Caps on deposits of foreign exchange into the banking system, which were in place during 2015 and throughout much of 2016, have been removed, although strict documentation requirements remain in place.

There are currently no restrictions in Egypt on repatriation of dividends by foreign companies. The CBE confirmed it verbally informed banks in December 2016 that they

Supplier risk In the period 1 January 2016 to 31 December 2016, the EGP lost 56% of its value against the US$, creating significant risk of suppliers re-opening negotiations in the face of cost pressure. IDH's supplier risk is particularly concentrated with three key suppliers - Siemens, Roche and BM (Sysmex)- who provide it with kits representing 69% of the total value of total raw materials in 2016 in Egypt (2015: 45%).	IDH has strong, longstanding relationships with its suppliers, to whom it is a significant regional client. Due to the volumes of kits the Company purchases, IDH is able to negotiate favourable pricing that in 2016 saw the price it pays for kits rise slower than did inflation (which rose to new highs as a result of the devaluation of the EGP). The percentage of kits sourced from Siemens, Roche and BM (Sysmex) rose period-on-period due to changing supplier relationships for the MegaLab inaugurated in the second half of 2015. Total raw materials costs as a percentage of sales declined to 16% in 2016 from 17% in 2015.
Remittance of dividend regulations & repatriation of profit The Group's ability to remit dividends abroad may be adversely affected by the imposition of remittance restrictions where, under Egyptian law, companies must obtain government clearance to transfer dividends overseas and are subject to higher taxation on payment of dividends. International banks are very cautious in carrying out transactions with any Sudanese business and so while there are no actual restrictions on the payment of dividends from the Sudanese subsidiary in practice, the probability of enabling payments of dividends from Sudan to Egypt is quite low.	As a foreign investor in Egypt, IDH does not have issues with the repatriation of dividends, but is exposed to risk in the form of cost of foreign exchange in the markets in which the Group operates, particularly Egypt. As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. Management moreover notes that the international community has signalled its desire to ease the sanctions regime.
Legal & regulatory risk to the business The Group's business is subject to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, in each of the countries in which it operates. Moreover, as a significant player in the Egyptian private clinical laboratory market, the Group is subject to antitrust and competition related restrictions, as well as the possibility of investigation by the Egyptian Competition Authority.	The Group's general counsel and the quality assurance team work together to keep IDH abreast of, and in compliance with, both legislative and regulatory changes. On the antitrust front, the private laboratory segment (of which IDH is a part) accounts for a small proportion of the total market, which consists of small private labs, private chain labs and large governmental and quasi-governmental institutions.

Quality control risks Failure to establish and comply with appropriate quality standards when performing testing and diagnostics services could result in litigation and liability for the Group and could materially and adversely affect its reputation and results of operations. This is particularly key as the Group depends heavily on maintaining good relationships with and acceptance by healthcare professionals who prescribe and recommend the Group's services.	 The Group's quality assurance (QA) function ensures compliance with best practices across all medical diagnostic functions. All laboratory staff participate in ongoing professional education with quality assurance emphasised at each juncture. The head of quality assurance for the Group is a member of the senior management team at the IDH level, which meets weekly to review recent developments, plan strategy and discuss issues of concern to the Group as a whole.
Risk from contract clients Contract clients including private insurers, unions and corporations account for c. 61% of the Group's revenue. Should IDH's relationship with these clients deteriorate, if IDH should prove unable to negotiate and retain similar fee arrangements, or should these clients be unable to make payments to the Group, IDH's business may be materially and adversely affected.	 IDH diligently works to maintain sound relationships with contract clients. All changes to pricing and contracts are arrived at through discussion rather than blanket imposition by IDH. Relations are further enhanced by regular visits to contract clients by the Group's sales staff. IDH's attractiveness to contract clients is enhanced by the extent of its national network. No single client contract currently accounts for more than 1.1% of revenues. Prudent management of contract clients translated into the Group taking provisions of EGP 4.3 million in 2016 for doubtful accounts (2015: EGP 9.2million). (See note 17 to the accompanying Financial Statements for more information.)

Pricing pressure in a competitive, regulated environment The Group faces pricing pressure from various third-party payers that could materially and adversely affect its revenue. Pricing may be restrained in cases by recommended or mandatory fees set by government ministries and other authorities. This risk may be more pronounced in the context of headline monthly inflation, which, as of December 2016, reached a record high of 23.3%.	This is an external risk for which there exist few mitigants. In the event there is escalation of price competition between market players, the Group sees its wide national footprint as a mitigant; c. 61% of our revenue is generated by servicing contract clients (private insurer, unions and corporations) who prefer IDH's national network to patchworks of local players. IDH has a limited ability to influence changes to mandatory pricing policies imposed by government agencies, as is the case in Jordan, where basic tests that account for the majority of IDH's business in that nation are subject to price controls.
High level of goodwill and other intangible assets IDH's high level of goodwill and other intangible assets could generate significant future asset impairments, which could be recorded as operating losses. Goodwill and intangible assets have arisen from historic acquisitions made by the Group and include the brand names used in the business.	IDH carries out an annual impairment test on goodwill and other intangible assets in line with IAS 36. The results of the annual impairment test show headroom between the recoverable amount (based on value in use) and the carrying value of each of the identified Cash Generating Units and no impairment is deemed to be required For more detail see note 14 of the Financial Statements.

Business continuity risks **Management concentration risk:** IDH is dependent on the unique skills and experience of a talented management team. The loss of the services of key members of that team could materially and adversely affect the Company's operations and business. **Business interruption:** IT systems are used extensively in virtually all aspects of the Group's business and across each of its lines of business, including test and exam results reporting, billing, customer service, logistics and management of medical data. Similarly, business interruption at one of the Group's larger laboratory facilities could result in significant losses and reputational damage to the Group's business as a result of external factors such as natural disasters, fire, riots or extended power failures. The Group's operations therefore depend on the continued and uninterrupted performance of its systems.	IDH understands the need to support its future growth plans by strengthening its human capital and engaging in appropriate succession planning. The Company is committed to expanding the senior management team, led by its CEO Dr. Hend El Sherbini, to include the talent needed for a larger footprint. The Group has constituted an Executive Committee led by Dr. El Sherbini and composed of heads of departments. The Executive Committee meets every second week. The Group has in place a full disaster recovery plan, with procedures and provisions for spares, redundant power systems, and the use of mobile data systems as alternatives to landlines, among multiple other factors. IDH tests its disaster recovery plans on a regular basis.
Loss of talent IDH depends on the skills, knowledge, experience and expertise of its senior managers to run its business and implement its strategies. The Group's senior management has an average of 15 years of industry experience and the majority are medical doctors. IDH is furthermore reliant on its ability to recruit and retain laboratory professionals. Loss of senior managers could materially and adversely affect the Group's results of operations and business.	In addition to competitive compensation packages, the Group also ensures it has access to a broad pool of trained laboratory professionals through its own in-house recruitment and training program. We furthermore have in place a program to monitor the performance of graduates of the training program. Egypt is a net exporter of trained healthcare professionals as there is surplus staff in the market. IDH's efforts are accordingly focused on retention of qualified staff as opposed to recruitment of new personnel.

Loss of certifications and accreditations	
One of IDH's subsidiaries was the only laboratory in Egypt accredited by the College of American Pathologists (CAP); the Group's new Mega Lab is presently undergoing CAP certification. Many of IDH's facilities are also certified by the International Organization for Standards. The failure to obtain CAP accreditation for Mega Lab or the failure to renew ISO certifications would call into question the Group's quality standards and competitive differentiators.	IDH filed to acquire CAP accreditation for Mega Lab in 2016 and expects inspectors on site in 2017. The Company also renewed its ISO certifications in 2016, with the next renewal due in 2017. IDH's ability to keep current its certifications and accreditation are supported by ongoing QA, training and internal audit procedures.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS as adopted by the EU"), interpretations from the International Financial Reporting Interpretations Committee ("IFRIC") and Companies (Jersey) Law 1991 (as amended). Jersey Law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the assets, liabilities, financial position and profit or loss of the Group for that year.

In preparing the financial statements, the Directors are required to:

? select suitable accounting policies and then apply them consistently;

? make judgements and estimates that are reasonable, comparable, understandable and prudent;

? ensure that the financial statements comply with IFRS as adopted by the EU; and

? prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and to enable them to ensure that the financial statements comply with Jersey Law. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the Group's website on the internet. However, information is accessible in many different countries where legislation governing the preparation and dissemination of financial statements may differ from that applicable in the United Kingdom and Jersey.

The Directors of the Group confirm that to the best of their knowledge that:

? The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting

Standards; and Interpretations adopted by the International Accounting Standards Board give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

? The sections of this Report, including the Chairman's Statement, Strategic Report, Financial Review and Principal Risks and Uncertainties, which constitute the management report, include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Dr. Hend El Sherbini
Executive Director

21 March 2017

Consolidated Statement of Financial Position
As at December 31, 2016

	Notes	2016	2015
Assets		**EGP'000**	**EGP'000**
Non-current assets			
Property, plant and equipment	12	391,141	337,877
Intangible assets and goodwill	13	1,643,595	1,606,225
Deferred tax assets	10	18,307	-
Restricted cash	19	13,253	-
Total non-current assets		**2,066,296**	**1,944,102**
Current assets			
Inventories	16	51,715	34,326
Trade and other receivables	17	148,375	117,155
Other investments	20	95,575	-
Cash and cash equivalents	18	683,721	387,716
Total current assets		**979,386**	**539,197**
Total assets		**3,045,682**	**2,483,299**
Equity			
Share capital	21	1,072,500	1,072,500
Share premium reserve	21	1,027,706	1,027,706
Capital reserves	21	(314,310)	(314,310)
Legal reserve	21	30,251	28,834
Put option reserve	21	(102,082)	(64,069)
Translation reserve	21	207,720	1,193
Retained earnings		315,518	142,712
Share based payment reserve		-	1,034
Equity attributable to the owners of the Company		**2,237,303**	**1,895,600**
Non-controlling interests	8	62,161	46,873
Total equity		**2,299,464**	**1,942,473**
Non-current liabilities			
Deferred tax liabilities	10	132,627	128,427
Other provisions	23	12,202	10,962
Long-term financial obligations	25	119,638	60,327

Total non-current liabilities		**264,467**	**199,716**
Current liabilities			
Trade and other payables	24	345,776	229,631
Current tax liabilities		135,975	111,479
Total current liabilities		**481,751**	**341,110**
Total liabilities		**746,218**	**540,826**
Total equity and liabilities		**3,045,682**	**2,483,299**

The accompanying notes that follow form an integral part of these consolidated financial statements.
These consolidated financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 21 March 2017 by:

Chief Executive Officer
Dr. Hend El Sherbini

Head of Audit Committee
James Nolan

Consolidated Income Statement
For the financial year ended December 31, 2016

	Notes	2016	2015
		EGP'000	EGP'000
Revenue	4	1,170,621	1,014,844
Cost of sales		(542,687)	(467,528)
Gross profit		**627,934**	**547,316**
Marketing and advertising expenses		(53,187)	(53,688)
Administrative expenses		(105,390)	(210,417)
Other expenses		(3,165)	(15,750)
Operating profit	9	**466,192**	**267,461**
Finance costs		(99,072)	(6,380)
Finance income		21,418	13,412
Net finance cost	9.2	(77,654)	7,032
Profit before tax		**388,538**	**274,493**
Income tax expense	10	(121,620)	(119,521)
Profit for the year		**266,918**	**154,972**
Profit attributed to:			
Owners of the Company		260,399	144,873
Non-controlling interests	8	6,519	10,099
		266,918	**154,972**
Earnings per share (expressed in EGP)	11		
Basic and Diluted		1.74	0.97

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended December 31, 2016

	2016 EGP'000	2015 EGP'000
Net profit	**266,918**	**154,972**
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences on foreign currency subsidiaries	228,130	1,432
Other comprehensive income for the year, net of tax	**228,130**	**1,432**
Total comprehensive income for the year	**495,048**	**156,404**
Attributable to:		
Owners of the Company	467,664	144,862
Non-controlling interests	27,384	11,542
	495,048	**156,404**

Consolidated Statement of Cash Flows

For the financial year ended December 31, 2016

	Note	2016 EGP'000	2015 EGP'000
Cash flows from operating activities			
Profit for the period before tax		388,538	274,493
Adjustments for:			
Depreciation	12	44,730	35,840
Amortisation	13	-	352
Impairment of Intangible assets		1,849	-
(Loss)/Gain on disposal of Property, plant and equipment		60	(138)
Impairment in trade and other receivables	9	4,298	9,230
Reversal of impairment in trade and other receivables	17	(2,768)	(343)
Provisions made	23	2,224	2,881
Provisions reversed	23	(717)	(6)
Share-based payment charge		-	1,034
Interest expense	9.2	9,271	6,380
Interest income	9.2	(21,418)	(9,930)
Loss/(gain) of foreign exchange	9.2	88,877	(3,482)
Net cash from operating activities before changes in working capital		**514,944**	**316,311**
Provision used	23	(267)	(891)
Change in inventory		(17,388)	1,681
Change in trade and other receivables		(30,436)	(36,351)
Change in trade and other payables		39,935	20,336
Cash generated from operating activities before income tax payment		**506,788**	**301,086**
Income tax paid during period		(108,130)	(111,224)
Net cash from operating activities		**398,658**	**189,862**

Cash flows from investing activities			
Interest received		19,753	10,477
Acquisition of Property, plant and equipment		(48,539)	(54,897)
Proceeds from sale of property and equipment		90	2,003
Change in restricted Cash	19	(13,253)	-
Change in other investment	20	(95,575)	-
Net cash flows used in investing activities		**(137,524)**	**(42,417)**
Cash flows from financing activities			
Repayments of borrowings		-	(45)
Interest paid		(10,263)	(4,275)
Acquisition non-controlling interest		(10,450)	(272)
Dividends paid		(88,560)	(6,464)
Financial lease		(8,928)	(1,711)
Net cash flows used in financing activities		**(118,201)**	**(12,767)**
Net increase in cash and cash equivalents		**142,933**	**134,678**
Cash and cash equivalent at the beginning of the period		387,716	252,110
Effect of exchange rate fluctuations on cash held		153,072	928
Cash and cash equivalent at the end of the period	18	**683,721**	**387,716**

Consolidated Statement of Changes in Equity
For the financial year ended December 31, 2016

	Share Capital	Share premium	Capital reserve	Legal reserve*	Put option reserve	Translation reserve	Retained earnings	Share based paymen reserve
As at 1 January 2016	1,072,500	1,027,706	(314,310)	28,834	(64,069)	1,193	142,712	1,03
Profit for the period	-	-	-	-	-	-	260,399	
Other comprehensive income for the period	-	-	-	-	-	207,265	-	
Total comprehensive income	-	-	-	-	**-**	**207,265**	**260,399**	
Transactions with owners of the Company								
Contributions and distributions								
Dividends	-	-	-	-	-	-	(79,470)	
Reverse share-based payment	-	-	-	-	-	-	-	(1,034
Legal reserve formed during the period	-	-	-	90	-	-	(90)	
Movement in put option liability in the year	-	-	-	-	(38,013)	-	-	
Total contributions and distributions	**-**	**-**	**-**	**90**	**(38,013)**	**-**	**(79,560)**	**(1,034**
Change in ownership interests								
Acquisition of Non-controlling interests without change in control	-	-	-	1,327	-	(738)	(8,033)	
At 31 December 2016	**1,072,500**	**1,027,706**	**(314,310)**	**30,251**	**(102,082)**	**207,720**	**315,518**	
As at 1 January 2015	**1,072,500**	**1,027,706**	**(314,310)**	**26,945**	**(50,420)**	**1,204**	**-**	
Profit for the period	-	-	-	-	-	-	144,873	
Other comprehensive income for the period	-	-	-	-	-	(11)	-	
Total comprehensive income	**-**	**-**	-	-	**-**	**(11)**	**144,873**	
Transactions with owners of the Company								
Contributions and distributions								
Dividends**	-	-	-	-	-	-	-	
Equity settled share-based payment	-	-	-	-	-	-	-	1,03
Legal reserve formed during the period	-	-	-	1,889	-	-	(1,889)	
Movement in put option liability in the year	-	-	-	-	(13,649)	-	-	
Total contributions and distributions	**-**	**-**	**-**	**1,889**	**(13,649)**	**-**	**(1,889)**	**1,03**
Change in ownership interests								
Non-controlling interests resulting from acquisition of subsidiary	-	-	-	-	-	-	(272)	

At 31 December 2015	**1,072,500**	**1,027,706**	**(314,310)**	**28,834**	**(64,069)**	**1,193**	**142,712**	**1,03**

1. Corporate information

The consolidated financial statements of Integrated Diagnostics Holdings plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 21 March 2017. Integrated Diagnostics Holdings plc "IDH" or "the company" has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257.

IDH's purpose is not restricted and the Group has full authority to do any activity as long as it is not banned by the Companies law unless amended from time to time or depending on the Companies (Jersey) law.

The Group's financial year starts on 1 January and ends on 31 December each year. The Group's main activity is concentrated in the field of medical diagnostics.

2. Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (adopted IFRS) issued by the International Accounting Standards Board (IASB) and the Jersey Law 1991 an amendment to which means separate company financial statements are not required.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except where adopted IFRS mandates that fair value accounting is required.

Functional and presentation currency

Each of the Group's entities is using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Egyptian Pounds, being the reporting currency of the main Egyptian trading subsidiaries within the Group and the primary economic environment in which the Group operates. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Going concern

These consolidated financial statements have been prepared on the going concern basis. At 31 December 2016, the Group had net assets amounting to EGP 2,299,464. The Group is profitable and cash generative and the Directors have considered the Group's cash forecasts for a period of 12 months from the signing of the balance sheet. The Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these condensed consolidated interim financial statements. Thus, they continue to adopt the going concern basis in preparing the financial information.

2.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2016. 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.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

ii. Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Where the group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii. Transactions eliminated on consolidation

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

2.2 Significant accounting policies

Except for the changes below, the accounting policies set out below have been consistently applied to all the years presented in these consolidated financial statements.

The Group has adopted the following new standard, including any inconsequential amendments to other standards, with a date of initial application of 1 January 2016.

•€€€€ Annual Improvements to IFRSs - 2012-2014 Cycle

•€€€€ Disclosure initiative - amendment to IAS 1

This new standard had a non-material impact on these consolidated financial statements.

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Fair value measurement

The Group measures financial instruments such as non-derivative financial instruments, available-for-sale financial assets and contingent consideration assumed in a business combination, at fair value at each balance sheet date.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

The fair value less any estimated credit adjustments for financial assets and liabilities with maturity dates less than one year is assumed to approximate their carrying value.The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Group for similar transactions.

c) Revenue recognition

Revenue represents the medical value of medical diagnostic services rendered in the year, and is stated net of discounts. The Group has two types of customers: Walk-in patients and patients served under contract. For patients under contract, rates are agreed in advance on a per-test, client-by-client basis. For both types of customers, revenue is recognised on completion of the services rendered. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

d) Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates out payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impractical to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

ii. Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

iii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

e) Income Taxes

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

f) Foreign currency

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined.

On consolidation, the assets and liabilities of foreign operations are translated into Egyptian Pounds at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in the translation reserve or NCI as the case may be. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

g) Property, plant and equipment

All property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income during the financial period in which they are incurred.

Land is not depreciated.

Laboratory Equipment held to perform the 'Hub spoke' at the Mega Lab and provided under finance lease arrangements are depreciated under a unit of production method as this most closely reflects the consumption of benefits from the equipment.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual value over their estimated useful lives, as follows:

Buildings	50 years
Medical, electric and information systems equipment	4-10 years
Leasehold improvements	4-5 years
Fixtures, fittings & vehicles	4-16 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are

determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in the consolidated statement of income.

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill is stated at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Brand

Brands acquired in a business combination are recognised at fair value at the acquisition date and have an indefinite useful life.

Customer list

Customer lists acquired in a business combination are recognised at fair value at the acquisition date and have finite useful life. Amortisation method on a straight-line basis and the estimated useful live is 4 years, as determined by management.

i) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, AFS financial assets, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Ø Financial assets at fair value through profit or loss

Ø Loans and receivables

Ø AFS financial assets

The Group did not hold financial assets classified as financial assets at fair value through the profit or loss or AFS financial assets at 31 December 2016 and 31 December 2015.

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 measurement, such financial assets are subsequently measured at amortised cost using the effective interest method ("EIR"), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

Ø The rights to receive cash flows from the asset have expired

Or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Ø Disclosures for significant estimates and assumptions	Note 3
Ø Financial assets	Note 15
Ø Trade receivables	Note 17

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

ii. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

All of the Group's financial liabilities are classified as financial liabilities carried at amortised cost using the effective interest method. The Group does not use derivative financial instruments or hedge account for any transactions. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

The Group's financial liabilities include trade and other payables, finance lease liabilities and loans and borrowings including bank overdrafts.

Derecognition

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

iii. Offsetting of financial instruments

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

j) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Ø Disclosures for significant assumptions and estimates Note 3
- Ø Goodwill and intangible assets with indefinite lives Note 14

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGU). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling and distribution expenses.

l) Cash and short-term deposits

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m) Provisions

Provisions are recognised when the Group 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 a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

n) Pensions and other post-employment benefits

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

o) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

p) 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 steering committee that makes strategic decisions.

2.3. New and amended standards and interpretations not yet adopted

The Group has not early adopted any other standard, interpretation or amendments that have been issued but not yet effective for the year ended 31 December 2016. None of these are expected to have a material effect on these consolidated financial statements of the Group, except for the following which could change the classification and measurements of financial assets.

•€€€€ IFRS 9 "Financial instruments" (expected effective date of January 2018).

•€€€€ IFRS 16 'Leases' (effective date of January 2019) introduces an on balance sheet accounting model for operating leases. The Group has significant operating lease commitments through the lease of branches and is anticipated to have a material effect when these arrangements are required to be brought on balance sheet.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements in conformity with adopted IFRSs requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

Ø Capital management	Note 5
Ø Financial instruments risk management and policies	Note 15
Ø Sensitivity analyses disclosures	Notes 15

Judgments

In preparing these consolidated financial statements, management have made a material judgment, that affect the application of the Group's lease accounting policy and the reported amounts of assets, liabilities, and expenses. Information about judgment, estimate and assumptions relating to finance leases are set out in note 26.

Estimates and assumptions

The key assumptions 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 described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of intangible assets

The Group tests annually whether goodwill and other intangibles with indefinite lives have suffered any impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts of cash generating units have been determined based on value in use. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of trade and notes receivables

The requirement for impairment of trade receivables is made through monitoring the debts aging and reviewing customer's credit position and their ability to make payment as they fall due. An impairment is recorded against receivables for the irrecoverable amount estimated by management. At the year end, the provision for impairment of trade receivables was EGP 19,154 (31 December 2015: EGP 17,030k).

4. Segment information

The Group is viewed as a single operating segment, as the Group's Chief Operating Decision Maker (CODM) reviews the internal management reports and KPIs of the Group as whole and not at a further aggregated level.

The Group operates in three geographic areas, Egypt, Sudan and Jordan. Each area offers similar services and the KPIs of each are viewed to be the same and they are not viewed as individual operating segments. The revenue split between the three regions is set out below.

	Revenue by geographic location			
For the year ended	**Egypt region EGP'000**	**Sudan region EGP'000**	**Jordan region EGP'000**	**Total EGP'000**
31 December 2016	1,024,378	34,103	112,140	**1,170,621**
31 December 2015	910,886	30,740	73,218	**1,014,844**

The operating segment profit measure reported to the CODM is EBITDA, as follows:

	2016 EGP'000	**2015 EGP'000**
Profit from operations	**466,192**	**267,461**
Property, plant and equipment depreciation	44,730	35,840
Amortisation of Intangible assets	-	352
EBITDA	**510,922**	**303,653**

The operating segment assets and liabilities measure reported to the CODM is in accordance with IFRS as shown in the Group's Consolidated Statement of Financial Position.

5. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The repatriation of a declared dividend from Egyptian group entities are subject to regulation by Egyptian authorities. The outcome of an Ordinary General Meeting of Shareholders declaring a dividend is first certified by the General Authority for Investment and Free Zones (GAFI). Approval is subsequently transmitted to Misr for Central Clearing, Depository and Registry (MCDR) to distribute dividends to all shareholders, regardless of their domicile, following notification of shareholders via publication in two national newspapers.

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (being total current liabilities plus long-term financial obligations) less cash and cash equivalents.

As a provider of medical diagnostic services, IDH's operations in Sudan are not subject to sanctions. However International banks are very cautious in carrying out transactions with any Sudanese business and so while there are no actual restrictions on the payment of dividends and remittance of cash from the Sudanese subsidiary in practice, there is no opportunity to enable payments of dividends from Sudan to Egypt. The amount of undistributed reserves held in Sudanese subsidiaries is not significant to the Group's total capital management and the total reserves that could be distributed from Sudan is EGP 599K and the total cash held in Sudan is EGP 14,355K. No funds will be remitted from until such a time as the sanctions imposed on Sudan are clarified or released.

	2016 EGP'000	2015 EGP'000
Total liabilities	601,389	401,437
Less: cash and short-term deposits (Note 18)	(683,721)	(387,716)
Net (cash)/debt	**(82,332)**	**13,721**
Total Equity	**2,299,464**	**1,942,473**
Net debt to equity ratio	**-3.6%**	**0.7%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015.

6. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

	Principal activities	Country of Incorporation	% equity interest	
			2016	2015
Al Borg Laboratory Company ("Al-Borg")	Medical diagnostics service	Egypt	**99.3%**	**99.3%**
Al Mokhtabar Company for Medical Labs ("Al Mokhtabar")	Medical diagnostics service	Egypt	**99.9%**	**99.9%**

Molecular Diagnostic Center*	Medical diagnostics service	Egypt	**99.9%**	**99.9%**
Medical Genetic Center	Medical diagnostics service	Egypt	**55.0%**	**55.0%**
Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan)	Medical diagnostics service	Jordan	**60.0%**	**60.0%**
Golden Care for Medical Services	Holding company of SAMA	Egypt	**100.0%**	**75.0%**
Integrated Medical Analysis Company (S.A.E)	Medical diagnostics service	Egypt	**99.6%**	**99.6%**
SAMA Medical Laboratories Co. ("Ultralab medical laboratory ")	Medical diagnostics service	Sudan	**80.0%**	**60.0%**
AL-Mokhtabar Sudanese Egyptian Co.	Medical diagnostics service	Sudan	**65.0%**	**65.0%**
Integrated Diagnostics Holdings Limited	Intermediary holding company	Cayman Island	**100.0%**	**100.0%**
Dynasty Group Holdings Limited**	Intermediary holding company	Cayman Island	**51.0%**	**-**

* "Molecular Diagnostic Center" is no longer treated as a subsidiary with effect from 5 May 2016 following the start of liquidation proceedings as control has been passed to the liquidator [Abd EL Wahab Kamal] under Egyptian Law..

**On 22 December 2016, IDH established a new subsidiary "Dynasty Group Holdings Limited", in which it holds 51%, for the purpose of investing in acquisition opportunities mainly in Africa.

Full details of the Group historical acquisitions can be found in the prospectus for the initial public offering by the Company dated 6 May 2015 and available at www.idhcorp.com.

7. Business combinations and acquisition of non-controlling interests

Acquisition of non-controlling interest in Golden Care for Medical Services

On 8 December 2016, the put option held by the vendor of Golden Care for Medical Services (LLC) was exercised which forced Al-Borg to purchase the remaining 25% equity.

As a result, Al-Borg's percentage share of total equity shares in Golden Care for Medical Services (LLC) increase from 75% to 100% from this date.

8. Non-Controlling interest

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

	Country of incorporation	2016	2015
Medical Genetic Center	Egypt	45.0%	45.0%
Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan)	Jordan	40.0%	40.0%
SAMA Medical Laboratories Co. " Ultra lab medical laboratory "	Sudan	20.0%	40.0%
Al Borg Laboratory Company	Egypt	0.7%	0.7%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	SAMA Medical Laboratories Co. "Ultralab medical laboratory " EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Intra-Group eliminations EGP'000	To[illegible] EGP'0[illegible]
Summarised statement of profit or loss for 2016:							
Revenue	11,881	112,266	27,160	482,002	207,452	-	840,76[illegible]
Profit	1,818	13,850	1,360	199,827	(57,725)	-	159,13[illegible]
Other comprehensive income	-	52,930	(1,115)	-	393	-	52,20[illegible]
Total comprehensive income	**-**	**52,930**	**(1,115)**	**-**	**393**	**-**	**52,20[illegible]**
Profit allocated to non-controlling interest	818	5,540	272	1,414	(916)	(610)	6,51[illegible]
Other comprehensive income allocated to non-controlling interest	-	21,172	(446)	-	139	-	20,86[illegible]
Summarised statement of financial position as at 31 December 2016:							
Non-current assets	885	92,168	3,363	136,938	136,316	-	369,67[illegible]

Current assets	7,761	47,090	20,548	311,085	306,983	-	693,46
Non-current liabilities	9	773	-	-	99,339	-	100,12
Current liabilities	4,518	42,014	14,657	120,345	324,452	-	505,98
Net assets	**13,173**	**182,045**	**38,568**	**568,368**	**867,090**	**-**	**1,669,24**
Net assets attributable to non-controlling interest	5,930	72,818	7,714	4,023	(1,327)	(26,997)	62,16

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	SAMA Medical Laboratories Co. "Ultralab medical laboratory " EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Intra-Group eliminations EGP'000	To EGP'0
Summarised cash flow information for year ended 31 December 2016:							
Operating	2,687	18,034	1,508	189,193	73,254	-	284,67
Investing	(37)	(11,955)	(410)	(55,929)	(8,326)	-	(76,65
Financing	(3,163)	(6,848)	-	(52,256)	(8,928)	-	(71,19
Net increase/(decrease) in cash and cash equivalents	**(513)**	**(769)**	**1,098**	**81,008**	**56,000**	**-**	**136,82**
Summarised statement of profit or loss for 2015:							
Revenue	12,468	73,523	24,518	433,944	126,063		670,5
Profit	3,818	10,894	4,720	135,008	34,531		188,9
Other comprehensive income	-	3,016	850	-	(297)		3,5
Total comprehensive income	**-**	**3,016**	**850**	**-**	**(297)**		**3,5**
Profit allocated to non-controlling interest	1,719	4,358	1,888	956	1,425	(247)	10,0
Other comprehensive income allocated to non-controlling interest	-	1,033	340	-	70	-	1,4

	Medical Genetic Center EGP'000	Al Makhbariyoun Al Arab Group (Hashemite Kingdom of Jordan) EGP'000	SAMA Medical Laboratories Co. "Ultralab medical laboratory " EGP'000	Alborg Laboratory Company EGP'000	Other individually immaterial subsidiaries EGP'000	Intra-Group eliminations EGP'000	T EGP'
Summarised statement of financial position as at 31 December 2015:							
Non-current assets	920	35,038	4,612	126,539	82,363		249,4
Current assets	8,442	17,853	18,765	167,615	109,422		322,0

Non-current liabilities	(2)	-	-	(1,297)	(2,155)		(3,4
Current liabilities	(3,239)	(12,046)	(14,368)	(97,957)	(67,047)		(194,6
Net assets	**6,121**	**40,845**	**9,009**	**194,900**	**122,583**		**373,4**
Net assets attributable to non-controlling interest	2,756	16,338	3,604	1,379	2,180	20,616	46,8
Summarised cash flow information for year ended 31 December 2015:							
Operating	2,727	13,711	7,254	63,675	39,052		126,4
Investing	181	(5,665)	(1,228)	(2,968)	(30,224)		(39,9
Financing	(2,759)	(9,019)	(1,390)	(73,933)	39,750		(47,3
Net increase/(decrease) in cash and cash equivalents	**149**	**(973)**	**4,636**	**(13,226)**	**48,578**		**39,1**

9. Expenses and other income

Included in profit and loss are the following:

	2016 EGP'000	2015 EGP'000
Impairment on trade and other receivables	4,298	9,230
Impairment of goodwill	1,849	-
Charge for increase in provisions	2,224	2,881
Operating lease payments (buildings)	32,234	22,278
Professional and advisory fees*	24,907	138,436
Amortisation	-	352
Depreciation	44,730	35,840
Total	**110,242**	**209,017**

9. Expenses and other income (continued)

***** In comparative year 2015 professional and advisory fees included EGP 125 million relating to the costs for the IPO. No shares were issued on IPO and so all costs were expensed.

9.1. Auditor's remuneration

The group paid or accrued the following amounts to its auditor and its associates in respect of the audit of the financial statements and for other services provided to the group

	2016 EGP'000	2015 EGP'000
Fees payable to the Company's auditor for the audit of the Group's annual financial statements	2,686	2,645
The audit of the Company's subsidiaries pursuant to legislation	1,234	629

Tax compliance and advisory services	-	64
Other services	806	2,970
	4,726	**6,308**

9.2. Net finance costs

	2016	**2015**
	EGP'000	**EGP'000**
Finance charges payable under finance leases	(9,271)	(5,725)
Net foreign exchange loss	(88,877)	-
Bank Charges	(924)	(655)
Total finance costs	(99,072)	(6,380)

	2016	**2015**
	EGP'000	**EGP'000**
Interest income	21,418	9,930
Net foreign exchange gain	-	3,482
Total finance income	21,418	13,412
Net finance (cost)/ income	**(77,654)**	**7,032**

IDH has entered into a number of currency swap transactions during 2016 to convert Egyptian pounds into US Dollars. During the year there was a difference between the official exchange rate and an unofficial parallel exchange rate for the Egyptian pound against the US Dollar. A foreign exchange loss has arisen due to the difference between the official exchange rate and the less favourable unofficial parallel exchange rate received by IDH when entering into these transactions. In the period IDH purchased a total of US$ 14,200K (Dec 2015: $ 8,570K) which resulted in a total foreign exchange loss recognised of EGP 44,198K (Dec 2015: EGP 3,485K). Certain finance lease liabilities held by the Group are denominated in US$. Due to the devaluation in the EGP against the US$ a foreign exchange loss of EGP 85,078k has been recognised in 2016 on translating these monetary liabilities at the year end. See note 26 for further details.

9.3. Employee numbers and costs

The average number of persons employed by the Group (including directors) during the year and the aggregate payroll costs of these persons, analysed by category, were as follows:

	2016			**2015**		
	Medical	Administration	**Total**	Medical	Administration	**Total**
Average number of employees	4,307	381	**4,688**	3,917	406	**4,323**

	2016 EGP'000			**2015 EGP'000**		
	Medical	Administration	**Total**	Medical	Administration	**Total**
Wages and salaries	179,626	59,276	**238,902**	148,604	43,229	**191,833**
Social security costs	12,086	2,678	**14,764**	9,238	1,818	**11,056**
Contributions to defined contribution plan	3,131	511	**3,642**	2,216	386	**2,602**

Equity settled shared based payments	-	-	**-**	-	1,034	**1,034**
Total	194,843	62,465	**257,308**	160,058	46,467	**206,525**

Details of Directors' and Key Management remuneration and share incentives are disclosed in the Remuneration Report and note 27.

10. Income tax

a) Amounts recognised in profit or loss

	2016 EGP'000	2015 EGP'000
Current tax:		
Current year	(135,727)	(108,128)
Deferred tax:		
Effect of reduction in tax rate to 22.5%	-	13,139
Deferred tax arising on undistributed reserves in subsidiaries	(18,876)	(22,614)
Relating to origination and reversal of temporary differences	32,983	(1,918)
Total Deferred tax income / (expense)	**14,107**	**(11,393)**
Tax expense recognised in profit or loss	**(121,620)**	**(119,521)**

b) Reconciliation of effective tax rate

The Company is treated as a tax resident of Jersey for the purpose of Jersey tax laws and is subject to a tax rate of 0%. The Company determined to switch its tax domicile from its current status as resident in Jersey to become resident in the UK, with effect from 1 July 2016. As a holding company for the IDH group, the Board concluded that the UK represents the most effective and efficient jurisdiction from which to manage the Company. The current income tax charge for the Group represents tax charges on profits arising in Egypt, Jordan and Sudan. The significant profits arising within the Group subject to corporate income tax are generated from the Egyptian operations and subject to 22.5% (2015: 22.5%) tax rate. The reconciliation of effective income tax rate has been performed using this rate.

	2016 EGP'000	2015 EGP'000
Profit before tax	**388,538**	**274,493**
Profit before tax multiplied by rate of corporation tax in Egypt of 22.5% (2015: 22.5%)	87,421	61,761
Effect of tax rate in Jersey of 0% (2015: 0%)	(2,210)	27,985
Effect of tax rates in Jordan and Sudan of 20% and 15% respectively (2015: 20% and 15%)	(452)	(805)
Tax effect of:		

Change in unrecognised deferred tax assets	303	(1,476)
Deferred tax arising on undistributed reserves	18,876	22,614
Reduction in tax rate on deferred tax balances	-	(13,139)
Non-deductible expenses for tax purposes - employee profit share	8,940	7,549
Non-deductible expenses for tax purposes - other	8,742	15,032
Tax expense recognised in profit or loss	**121,620**	**119,521**

Deferred tax

Deferred tax relates to the following:

	2016		2015	
	Assets EGP'000	**Liabilities EGP'000**	**Assets EGP'000**	**Liabilities EGP'000**
Property, plant and equipment	-	(9,528)	-	(5,668)
Intangible assets	-	(101,661)	-	(102,113)
Undistributed reserves from group subsidiaries*	-	(30,175)	-	(22,614)
Provisions and finance lease liabilities	27,044	-	1,968	-
Deferred tax assets (liabilities) before set-off	**27,044**	**(141,364)**	**1,968**	**(130,395)**
Set-off of tax	(8,737)	8,737	(1,968)	1,968
Net deferred tax assets (liabilities)	**18,307**	**(132,627)**	**-**	**(128,427)**

All movements in the deferred tax asset/liability in the year have been recognised in the profit or loss account.

Deferred tax liabilities and assets have been calculated based on the enacted tax rate at 31 December 2016 for the country the liabilities and assets has arisen. The enacted tax rate in Egypt is 22.5% (2015: 22.5%), Jordan 20% (2015: 20%) and Sudan 15% (2015: 15%).

*__Undistributed reserves from group subsidiaries__

The Group's dividend policy is to distribute any excess cash after taking into consideration all business cash requirements and potential acquisition considerations. The expectation is to distribute profits held within subsidiaries of the Group in the near foreseeable future. During 2015 the Egyptian

Government imposed a tax on dividends at a rate of 5% of dividends distributed from Egyptian entities. As a result a deferred tax liability has been recorded for the future tax expected to be incurred from undistributed reserves held within the Group which will be taxed under the new legislation imposed and were as follows:

	2016	2015
	EGP'000	**EGP'000**

Al Mokhtabar Company for Medical Labs	11,378	8,859
Alborg Laboratory Company	11,490	5,776
Integrated Medical Analysis Company	2,192	2,192
Molecular Diagnostic Center	1,095	2,724
Golden Care for Medical Services	677	677
Medical Genetics Center	189	236
Al Makhbariyoun Al Arab Group	3,154	2,150
	30,175	**22,614**

Unrecognised deferred tax assets

The following deferred tax assets were not recognised due to the uncertainty that those items will have a future tax benefit:

	2016 EGP'000	**2015 EGP'000**
Impairment of trade receivables (Note 17)	19,154	17,030
Impairment of other receivables (Note 17)	8,068	8,068
Provision for legal claims (Note 23)	2,191	2,967
	29,413	**28,065**
Unrecognised deferred tax asset	**6,618**	**6,315**

11. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. There are no dilutive effects from ordinary share and no adjustment required to weighted-average numbers of ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computation:

	2016 EGP'000	**2015 EGP'000**
Profit attributable to ordinary equity holders of the parent for basic earnings	260,399	144,873
Weighted average number of ordinary shares for basic and dilutive EPS	150,000	150,000

Basic and dilutive earnings per share (expressed in EGP)	**1.74**	**0.97**

There is no dilutive effect from equity.

12. Property, plant and equipment

	Land & Buildings EGP'000	**Medical, electric & information system equipment EGP'000**	**Leasehold improvements EGP'000**	**Fixtures, fittings & vehicles EGP'000**	**Building & Leasehold improvements in construction EGP'000**	**Total EGP'00**
Cost						
At 1 January 2015	129,103	93,354	52,324	25,738	53,813	354,33
Additions	-	95,422	24,788	5,094	3,144	128,44
Disposals	-	(9,179)	(1,391)	(584)	-	(11,154
Exchange differences	509	1,697	551	1,701	78	4,53
Transfers	38,000	15,459	-	-	(53,459)	
At 31 December 2015	**167,612**	**196,753**	**76,272**	**31,949**	**3,576**	**476,16**
Additions	-	23,177	18,050	2,740	4,570	48,53
Disposals	(648)	(1,994)	(315)	(342)	-	(3,299
Exchange differences	6,285	16,728	23,646	6,095	2,248	55,00
Transfers	-	4,114	1,198	-	(5,312)	
At 31 December 2016	**173,249**	**238,778**	**118,851**	**40,442**	**5,082**	**576,40**
Depreciation and impairment						
At 1 January 2015	16,582	61,135	22,535	10,206	-	110,45
Depreciation charge for the year	2,600	21,390	9,726	2,124	-	35,84
Disposals	-	(7,588)	(1,335)	(367)	-	(9,290
Exchange differences	149	466	162	500	-	1,27
At 31 December 2015	**19,331**	**75,403**	**31,088**	**12,463**	**-**	**138,28**
Depreciation charge for the year	2,757	26,551	12,947	2,475	-	44,73
Disposals	-	(1,497)	(306)	(248)	-	(2,051
Exchange differences	77	2,275	1,280	665	-	4,29
At 31 December 2016	**22,165**	**102,732**	**45,009**	**15,355**	**-**	**185,26**
Net book value						
At 31 December 2016	**151,084**	**136,046**	**73,842**	**25,087**	**5,082**	**391,14**
At 31 December 2015	**148,281**	**121,350**	**45,184**	**19,486**	**3,576**	**337,87**

Leased equipment

EGP 74m of medical and electric equipment was supplied under finance lease arrangements during the year ended 31 December 2015. This equipment was supplied to service the

Group's new state of the art Mega Lab. The equipment secures lease obligations, see note 26 for further details on the recognition and the leasing arrangement. At 31 December 2016 the net carrying amount of lease equipment was EGP 59m (2015: EGP 68m).

13. Intangible assets

	Goodwill	Brand Name	Customer list	Total
	EGP'000	EGP'000	EGP'000	EGP'000
Cost				
At 1 January 2015	**1,234,432**	**374,055**	**17,043**	**1,625,530**
Effect of movements in exchange rates	(3,233)	971	-	**(2,262)**
At 31 December 2015	**1,231,199**	**375,026**	**17,043**	**1,623,268**
Effect of movements in exchange rates	26,153	13,066	-	**39,219**
At 31 December 2016	**1,257,352**	**388,092**	**17,043**	**1,662,487**
Amortisation and impairment				
At 1 January 2015	**-**	**-**	**16,691**	**16,691**
Amortisation	-	-	352	**352**
At 31 December 2015	**-**	**-**	**17,043**	**17,043**
Impairment Loss*	1,849	-	-	1,849
At 31 December 2016	**1,849**	**-**	**17,043**	**18,892**
Net book value				
At 31 December 2016	**1,255,503**	**388,092**	**-**	**1,643,595**
At 31 December 2015	**1,231,199**	**375,026**	**-**	**1,606,225**

* During the year goodwill of EGP 1,849K allocated to the Molecular Diagnostics Centre CGU has been fully impaired due to the start of the liquidation plan of this legal entity in May 2016. The impairment has been charged to 'Other expenses' in the consolidation income statement.

14. Goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and intangible assets with indefinite lives are allocated to the Group's CGUs as follows:

	2016 EGP'000	2015 EGP'000
Molecular Diagnostic Center		
Goodwill	-	1,849
	-	**1,849**
Medical Genetics Center		
Goodwill	1,755	1,755
	1,755	**1,755**
Al Makhbariyoun Al Arab Group ("Biolab")		
Goodwill	47,953	20,576
Brand name	23,224	9,965
	71,177	**30,541**
Golden Care for Medical Services ("Ultralab")		

Goodwill	9,417	10,641
Brand name	1,484	1,677
	10,901	**12,318**
Alborg Laboratory Company ("Al-Borg")		
Goodwill	497,275	497,275
Brand name	142,066	142,066
	639,341	**639,341**
Al Mokhtabar Company for Medical Labs ("Al-Mokhtabar")		
Goodwill	699,102	699,102
Brand name	221,319	221,319
	920,421	**920,421**
Balance at 31 December	**1,643,595**	**1,606,225**

The Group performed its annual impairment test in October 2016. The Group considers the re lationship between its market capitalisation and its book value, among other factors, when re viewing for indicators of impairment.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

IDH instructed FinCorp Investment Holding (referred to hereafter as "Fincorp") an independent financial advisor, to prepare an independent impairment assessment of the Group's CGUs. The assessment was carried out based on business plans provided by IDH. These plans have been prepared based on criteria set out below:

	Ultra Lab	Bio Lab	Al-Mokhtabar	Al-Borg
Average annual patient growth rate from 2016 -2020	3%	9%	1%	1%
Average annual price per test growth rate from 2016 -2020	14%	0%	7%	9%
Annual revenue growth rate from 2016 -2020	7%	9%	10%	8%
Average gross margin from 2016 - 2020	43%	40%	54%	47%
Terminal value growth rate from 1 January 2022	2%	2%	3%	3%
Discount rate	23.8%	15.3%	19.1%	19.1%

Fincorp has prepared discounted cash flow projections using the key assumptions above so as to be able to calculate the net present value of the asset in use and determine the recoverable amount. The projected cash flows from 2016- 2020 have been based on detailed forecasts prepared by management for each CGU and a terminal value thereafter. Management have used past experience and historic trends achieved in order to determine the key growth rate and margin assumptions set out above. The terminal value growth rate applied is not considered to exceed the average growth rate for the industry and geographic locations of the CGUs.

This recoverable amount is then compared to the carrying value of the asset as recorded in the books and records of IDH plc. The discount rate is the pre-tax rate taking into account the risks of each CGU.

These risks include country risk, currency risk as well as the beta factor relating to the CGU and how it performs relative to the market.

The conclusions from the impairment review were that there was headroom within the forecasts and therefore no impairment is required.

15. **Financial assets and financial liabilities**

The fair values of all financial assets and financial liabilities by class shown in the balance sheet are as follows:

	2016 EGP'000	2015 EGP'000
Held-to-maturity		
Short term deposits - treasury bills	95,575	-
Loans and receivables		
Cash and cash equivalent	683,721	387,716
Trade and other receivables	120,873	103,688
Total financial assets	**900,169**	**491,404**
Financial liabilities measured at amortised cost		
Trade and other payables	211,533	151,320
Put option liability	102,082	64,069
Finance lease liabilities	151,799	74,569
Total financial liabilities	**465,414**	**289,958**
Total financial instruments	**434,755**	**201,446**

The fair values of all of the Group's financial instruments are the same as their carrying values. All financial instruments are deemed Level 2.

15.2. Financial instruments risk management objectives and policies

The Group's principal financial liabilities are trade and other payables, put option liability and finance lease liabilities. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at 31 December in 2016 and 2015. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of pension and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- Ø The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2016 and 2015.
- Ø The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at 31 December 2016 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. During the year ending 2016 the Group was not exposed to the risk of changes in floating interest rates. The only interest-bearing financial liabilities held by the Group at 31 December 2016 were for finance lease liabilities held and disclosed in note 26. The implicit interest rate for the finance leases in place was estimated to be 11.5%.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Sudanese Pound and the Jordanian Dinar. Foreign exchange risk arises from to the Group's operating activities (when revenue or expense is denominated in a foreign currency), recognised assets and liabilities and net investments in foreign operations. However, the management aims to minimise open positions in foreign currencies to the extent that is necessary to conduct its activities.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

At year end, major financial assets / (liabilities) denominated in foreign currencies were as follows (the amounts presented are shown in the foreign currencies):

	31-Dec-16							
	Assets			**Liabilities**				
	Cash and cash equivalents	Other assets	**Total assets**	Put option	Finance lease	Trade payables and other liabilities	**Total liability**	**Net exposure**
US Dollars	22,652	203	**22,855**	-	(7,866)	(2,619)	**(10,485)**	**12,37**
Euros	95	-	**95**	-	-	(68)	**(68)**	**2**

GBP	12	-	**12**	-	-	(211)	**(211)**	**(199**
JOD	157	1,692	**1,849**	(4,017)	-	(1,147)	**(5,164)**	**(3,315**
SDG	12,652	7,501	**20,153**	-	-	(4,023)	**(4,023)**	**16,13**

	31-Dec-15							
	Assets			**Liabilities**				
	Cash	Other assets	**Total assets**	Put option	Finance lease	Trade payables and other liabilities	**Total liability**	**Net exposure**
US Dollars	12,581	-	**12,581**	-	(8,986)	(1,958)	**(10,944)**	**1,63**
Euros	87	-	**87**	-	-	(126)	**(126)**	**(39**
GBP	11	-	**11**	-	-	(8)	**(8)**	**3**
JOD	210	1,432	**1,642**	(4,320)	-	(1,105)	**(5,425)**	**(3,783**
SDG	12,609	4,222	**16,831**	-	-	(17,652)	**(17,652)**	**(821**

The following is the exchange rates applied against EGP:

	Average rate for the year ended	
	2016	**2015**
US Dollar	10.15	7.70
Euros	11.09	8.48
GBP	13.43	11.73
JOD	14.57	10.81
SAR	2.71	2.05
SDG	1.20	1.20
	Spot rate at the year ended	
	31-Dec-16	**31-Dec-15**
US Dollar	18.00	7.78
Euros	18.87	8.46
GBP	22.04	11.52
JOD	25.41	10.90
SAR	4.80	2.07
SDG	1.13	1.28

Financial assets and financial liabilities (continued)

At 31 December 2016, if the Egyptian Pounds had weakened / strengthened by 10% against the US Dollar with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 22k (2015: EGP 8,264k), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated financial assets and liabilities. The effect on equity would have been an increase/decrease by EGP (2,500k) due to the impact from translation of foreign subsidiaries.

At 31 December 2016, if the Egyptian Pounds had weakened / strengthened by 10% against the Jordanian Dinar with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP (8k) (2015: EGP (4,124k)), mainly as a result of foreign exchange gains/losses on translation of JOD - denominated financial assets and liabilities. The effect on equity would have been an increase/decrease by EGP (1,667k) due to the impact from translation of foreign subsidiaries.

At 31 December 2016, if the Egyptian Pounds had weakened / strengthened by 10% against the Sudanese Pound with all other variables held constant, pre-tax profit for the year would have been increased / decreased by EGP 2k (2015: EGP (105k), mainly as a result of foreign exchange gains/losses on translation of SDG -denominated financial assets and liabilities. The effect on equity would have been an increase/decrease by EGP (162k) due to the impact from translation of foreign subsidiaries.

Price risk

The group does not have investments in equity securities or bonds and accordingly is not exposed to price risk related to the change in the fair value of the investments.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, the Group is only dealing with the banks which have a high independent rating and a good reputation.

Trade receivables

Each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management manages customer credit risk. Credit quality of a customer is assessed based on an individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and the average general credit terms given to contract customers are 45 days.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The Group does not hold collateral as security.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents disclosed in Note 18.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2016	**1 year or less EGP'000**	**1 to 5 years EGP'000**	**more than 5 years EGP'000**	**Total EGP'000**
Obligations under finance leases	48,373	152,234	8,438	**209,045**
Put option liability	102,082	-	-	**102,082**
Trade and other payables	211,533	-	-	**211,533**
	361,988	**152,234**	**8,438**	**522,660**

Year ended 31 December 2015	**1 year or less EGP'000**	**1 to 5 years EGP'000**	**more than 5 years EGP'000**	**Total EGP'000**
Obligations under finance leases	22,321	62,681	21,375	**106,377**
Put option liability	69,956	-	-	**69,956**
Trade and other payables	151,320	-	-	**151,320**
	243,597	**62,681**	**21,375**	**327,653**

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the group's compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

The group's management retain cash balances in order to allow repayment of obligations in due dates, without taking into account any unusual effects which it cannot be predicted such as natural disasters. All suppliers and creditors will be repaid over a period not less 30 days from the date of the invoice or the date of the commitment.

16. Inventories

	2016 EGP'000	**2015 EGP'000**
Chemicals and operating supplies	51,715	34,326
	51,715	**34,326**

During2016, EGP 184,087k (2015: EGP 172,354k) was recognised as an expense for invent ories carried at net realisable value. This was recognised in cost of sales.

17. Trade and other receivables

	2016 EGP'000	2015 EGP'000
Trade receivables	107,193	100,033
Prepaid expenses	27,502	13,467
Receivables due from related parties	4,294	465
Other receivables	6,214	2,143
Accrued revenue	3,172	1,047
	148,375	**117,155**

For terms and conditions relating to related party receivables, refer to Note 27.

As at 31 December2016, trade and other receivables with an initial carrying value of EGP 27,222k (2015: EGP 25,098k) were impaired and fully provided for. Below shows the movem ents in the provision for impairment of trade and other receivables:

	2016 EGP'000	2015 EGP'000
At 1 January	25,098	19,132
Charge for the year	4,298	9,230
Utilised	-	(343)
Unused amounts reversed	(2,768)	(2,873)
Exchange differences	594	(48)
At 31 December	**27,222**	**25,098**

Asat31Decembe, the ageing analysis of trade receivables is as follows:

	Total EGP'000	1 - 30 days EGP'000	30-60 days EGP'000	61-90 days EGP'000	Over 90 days EGP'000
2016	**107,193**	54,072	8,450	19,477	25,194
2015	**100,033**	29,508	28,774	20,668	21,083

18. Cash and cash equivalent

	2016 EGP'000	2015 EGP'000
Cash at banks and on hand	426,578	124,332
Short-term deposits (less than 3 months)	257,143	263,384
	683,721	**387,716**

EGP 14,355K (2015: EGP 16,166K) of total cash and cash equivalents are held in subsidiaries operating in Sudan. As detailed in note 5 no cash will be remitted from Sudanese subsidiaries until such a time as the sanctions imposed on Sudan are clarified or released and International banks facilitate transactions with Sudanese businesses.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term d eposits are made for varying periods of between one day and three months, depending on th e immediate cash requirements of the Group, and earn interest at the respective short-term d eposit rates ranging from 10%- 11% per annum.

19. Restricted cash

	2016 EGP'000	2015 EGP'000
Restricted cash	13,253	-
	13,253	**-**

The cash balance related to "Molecular Diagnostic Center" and not available for use by the Group because the entity deconsolidated starting May 2016 and control has been transferred to the liquidator. The process of liquidation will take more than one year and once complete the total cash amount is expected to be returned to IDH.

20. Other investments

	2016 EGP'000	2015 EGP'000
Fixed term deposits	90,000	-
Treasury bills	5,575	-
	95,575	**-**

The maturity date of the fixed term deposit between 9-12 months and the effective interest rate on the deposit is 14.65%. The maturity date of the treasury bills is between 3-6 months and have settled interest rate of 18.10%.

Fixed term deposits and treasury bills are classified as held to maturity.

21. Share capital and reserve

The Company's ordinary share capital is $150,000,000 equivalent to EGP 1,072,500,000.

All shares are authorised and fully paid and have a pair value of $1.

	Ordinary shares 31-Dec-16	Ordinary shares 31-Dec-15
In issue at beginning of the year	150,000,000	150,000,000
In issue at the end of the year	**150,000,000**	**150,000,000**

Capital reserve

The capital reserve was created when the Group's previous parent company, Integrated Diagnostics Holdings LLC - IDH (Caymans) arranged its own acquisition by Integrated Diagnostics Holdings PLC, a new legal parent. The balances arising represent the difference between the value of the equity structure of the previous and new parent companies. When the capital position of the parent company is rearranged, the capital reserve is adjusted appropriately such that the equity balances presented in the Group accounts best reflect the underlying structure of the Group's capital base.

Legal reserves

Legal reserve was formed based on the legal requirements of the Egyptian law governing the Egyptian subsidiaries. According to the Egyptian subsidiaries' article of association 5% (at least) of the annual net profit is set aside to from a legal reserve. The transfer to legal reserve ceases once this reserve reaches 50% of the entity's issued capital. If the reserve falls below the defined level, then the entity is required to resume forming it by setting aside 5% of the annual net profits until it reaches 50% of the issued share capital.

Put option reserve

Through acquisitions made within the Group, put option arrangements have been entered into to purchase the remaining equity interests in subsidiaries from the vendors at a subsequent date. At acquisition date an initial put option liability is recognised and a corresponding entry recognised within the put option reserve. After initial recognition the accounting policy for put options is to recognise all changes in the carrying value of the liability within put option reserve. When the put option is exercised by the vendors the amount recognised within the reserve will be reversed.

Translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries, including gains or losses arising on net investment hedges.

22. Distributions made and proposed

	2016 EGP'000	2015 EGP'000
Cash dividends on ordinary shares declared and paid:		
US$ 0.06 per qualifying ordinary share (2015: nil)	79,470	-
	79,470	**-**
After the balance sheet date the following dividends were proposed by the directors (the dividends have not been provided for):		
US$0.14 per share (2015: $0.06) per share	**378,000**	**79,470**

The proposed 2016 dividend on ordinary shares are subject to approval at the annual general meeting and is not recognised as a liability as at 31 December 2016.

23. Provision

	Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000
At 1 January 2016	7,995	2,967	10,962
Provision made during the year	2,016	208	2,224
Provision used during the year	-	(267)	(267)
Provision reversed during the year	-	(717)	(717)
At 31 December 2016	**10,011**	**2,191**	**12,202**
Current	-	-	-
Non- Current	10,011	2,191	12,202

	Egyptian Government Training Fund for employees EGP'000	Provision for legal claims EGP'000	Total EGP'000

At 1 January 2015	6,606	2,372	8,978
Provision made during the year	1,389	1,492	2,881
Provision used during the year	-	(891)	(891)
Provision reversed during the year	-	(6)	(6)
At 31 December 2015	**7,995**	**2,967**	**10,962**
Current	-	-	-
Non- Current	7,995	2,967	10,962

Employees training provision

The provision for employees training fund have been provided for in accordance with the Egyptian law and regulations.

Legal claims provision

The amount comprises the gross provision in respect of legal claims brought against the Group. Management's opinion, after taking appropriate legal advice, is that the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2016.

24. Trade and other payables

	2016 EGP'000	2015 EGP'000
Trade payables	126,069	70,743
Accrued expenses	77,646	73,747
Other payables	7,818	6,830
Put option liability	102,082	64,069
Finance lease liabilities	32,161	14,242
	345,776	**229,631**

The accounting policy for put options after initial recognition is to recognise all changes in the carrying value of the put liability within equity.

Through the historic acquisitions of Makhbariyoun Al Arab and Golden Care Medical Services the Group entered into 2 separate put option arrangements to purchase the remaining equity interests from the vendors at a subsequent date. At acquisition a put option liability has been recognised for the net present value for the exercise price of the option.

The options are exercisable in whole from the fifth anniversary of completion of the original purchase agreement, which fell due in June 2016.

In July 2016 the Group was notified by the vendors of Golden Care Medical Services that the put option had been exercised. The purchase of the remaining shares has been completed in December 2016 which amounting EGP 10,450K of cash consideration paid for the remaining equity interest.

25. Long-term financial obligations

	2016	2015
	EGP'000	EGP'000

Finance lease liabilities (see note 26)	119,638	60,327
	119,638	**60,327**

26. Commitments and contingencies

Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2016 EGP'000	2015 EGP'000
Less than one year	39,805	21,706
Between one and five years	139,466	68,817
More than five years	81,868	37,450
	261,139	**127,973**

The Group lease certain branches for the operation of the business. During the year EGP 32,234K was recognised as an expense in the income statement in respect of operating leases (2015: EGP 22,278K).

Finance lease

The Group has finance leases for various items of plant and machinery. Future minimum lease payments under finance leases and hire purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	2016 EGP'000	2015 EGP'000
Finance lease liability - laboratory equipment	149,996	74,023
Finance lease liability - other	1,803	461
	151,799	**74,484**

Finance lease liabilities for the laboratory equipment are payable as follows:

At 31 December 2016	Minimum lease payments 2016 EGP'000	Interest 2016 EGP'000	Principal 2016 EGP'000
Less than one year	47,834	16,212	31,622
Between one and five years	150,971	38,628	112,343
More than five years	8,438	2,407	6,031

	207,243	**57,247**	**149,996**

At 31 December 2015	**Minimum lease payments** **2015** **EGP'000**	**Interest** **2015** **EGP'000**	**Principal** **2015** **EGP'000**
Less than one year	21,860	7,965	13,895
Between one and five years	62,681	20,290	42,391
More than five years	21,375	3,638	17,737
	105,916	**31,893**	**74,023**

The Group entered into 2 significant agreements during the prior year ended 31 December 2015 to service the Group's new state-of-the-art Mega Lab. Both agreements have minimum annual commitment payments to cover the supply of medical diagnostic equipment, kits and chemicals to be used for testing and ongoing maintenance and support services over the term of the agreement. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment. If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will legally transfer to the IDH. Management fully expect to be able to fulfil the minimum payments and the basis of treating the proportion of payments relating to the supply of equipment as a finance lease.

Management have performed a fair value exercise in order to allocate payments between the different elements of the arrangements and identify the implicit interest rate of the finance lease. Due to the difficulty in reliably splitting the payments for the supply of medical equipment from the total payments made, the finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The implicit interest rate of both finance leases has been estimated to be 11.5%. The equipment is being depreciated based on units of production method as this most closely reflects the consumption of the benefits from the equipment.

Both agreements have been judged to be US$ denominated due to the future minimum lease payments for the use of the equipment and corresponding finance lease liability being directly connected to the US$. Due to the significant devaluation in the EGP against the US$ a foreign exchange loss of EGP 85,078k has been recognised in 2016 on translating the two 'monetary' finance lease liabilities at the year end exchange rate.

Contingent liabilities

There are no contingent liabilities relating to the group's transactions and commitment with banks.

27. Related party disclosures

The significant transactions with related parties, their nature volumes and balance during the period 31 December 2016 and 2015 are as follows:

	31-Dec-16

Related Party	Nature of transaction	Nature of relationship	Transaction amount of the year EGP'000	Amount due from EGP'000
Health-care Tech Company*	Expenses paid on behalf	Affiliate*	16	204
Life Scan (S.A.E)**	Expenses paid on behalf	Affiliate**	-	277
International Fertility (IVF)***	Expenses paid on behalf	Affiliate***	3,760	3,760
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income		274	
	Medical Test analysis	Entity owned by Company's CEO	53	53
Total				**4,294**

Related Party	Nature of transaction	Nature of relationship	31-Dec-15	
			Transaction amount of the year EGP'000	Amount due from EGP'000
Health-care Tech Company	Expenses paid on behalf	Affiliate*	75	188
Life Scan (S.A.E)	Expenses paid on behalf	Affiliate**	277	277
Integrated Treatment for Kidney Diseases (S.A.E)	Rental income	Entity owned by Company's CEO	274	-
Total				**465**

* Health-care Tech is a company whose shareholders include Dr. Seham Ibrahim (a member of the Senior Management).

** Life Scan is a company whose shareholders include Dr. Alaa Abd El-Rehim (a member of the Senior Management).

*** International Fertility (IVF) is a company whose shareholders include Dr. Moamena Kamel (founder of IDH subsidiary Al-Mokhtabar Labs).

Terms and conditions of transactions with related parties

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest f ree and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015: nil).This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

IDH commits up to 1% of the net after-tax profit of the subsidiaries Al Borg and Al Mokhtabar to the Moamena Kamel Foundation for Training and Skill Development. Established in 2006 by Dr. Moamena Kamel, a Professor of Pathology at Cairo University and founder of IDH subsidiary Al-Mokhtabar Labs and mother to the CEO Dr. Hend El Sherbini. The Foundation allocates this sum to organisations and groups in need of assistance. The foundation deploys an integrated program and vision for the communities it helps that include economic, social, and healthcare development initiatives. In 2016 EGP 2,740K (2015: EGP 800K) was paid to the foundation by the IDH Group.

Compensation of key management personnel of the Group

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

	2016	**2015**
	EGP'000	**EGP'000**
Short-term employee benefits	23,085	17,252
Share-based payment transactions*	-	1,034
Total compensation paid to key management personnel	**23,085**	**18,286**

*The Executive receive incentive award in the form of an award of ordinary shares in the company ("Shares") or as a cash payment at the Executive's discretion (in either case, an "Award"). During 2016 and within the required notice period, the Executive made the decision to receive their 2015 Award in cash payment and not shares.

END

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