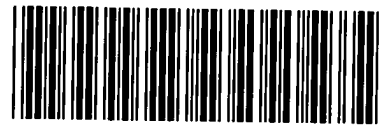


Aetna Global Holdings Limited

Strategic report, Directors' report and
financial statements for the year ended
31 December 2018
Registered number 9452770

WEDNESDAY



A8ACPFEP

A23

24/07/2019

#145

COMPANIES HOUSE

Contents

	Page No
Strategic report	1
Directors' report	2-3
Statement of directors' responsibilities	4
Independent auditor's report to the member of Aetna Global Holdings Limited	5-6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-19

Strategic report

Review of the business

The Company acts as a holding company in the UK for its ultimate parent, CVS Health Corporation and is active in acquiring and disposing of investments. This holding structure facilitates the continued long-term investment for the growth of the Aetna International business. These activities are expected to continue in 2019.

In 2017, it moved to dissolve its investment in Healthagen International Limited and this was finalised in January 2018. On 1 March 2018, it purchased the Canadian Insurance Company Limited domiciled in Hong Kong and subsequently re-branded it as Aetna Insurance Hong Kong Limited. The purchase price for the Canadian Insurance Company was USD 30,532,924. Recognising its reported loss in 2018 and immediate future prospects, the investment was impaired to USD 22,186,520. The Company also invested on 7 March 2018 in a new company, Virtual Health Home Health Care LLC domiciled in the UAE. Recognising its ongoing losses and the future prospects of becoming profitable, the value of this investment was fully impaired during the year. These two new investments were funded by the issue of 31,050,000 new shares during the course of the year. With the exception of Aetna Holdings (Thailand) Limited (49% shareholding) and Virtual Health Home Care LLC (49% holding), the Company holds the entire shareholdings of its subsidiaries either directly or indirectly. The legal structure of the shareholding in Aetna Holdings (Thailand) Limited and Virtual Health Home Care LLC is such that the Company retains sufficient control of these subsidiaries.

The Company presents its fourth set of financial statements for the year ended 31 December 2018.

The Company recorded a loss after taxation of USD 9,812,423 (2017: profit USD 163,306) due to the write-down of the investment in Virtual Home Health Care LLC and Aetna Insurance Hong Kong Limited.

As the principal activity of the Company is that of holding company, the directors do not utilise key performance indicators to monitor and evaluate performance.

Risks and uncertainties

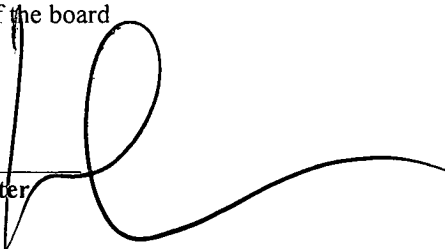
The main risks and uncertainties facing the Company are disclosed in note 4.

As the immediate holding company of Aetna Korea Limited, Aetna Thailand, Aetna Insurance Hong Kong and Virtual Home Health Care LLC, the Company's main risk relates to its holding of its investment in those companies and any events which could result in impairment in their valuations. The directors closely monitor the performance of these investments.

Going concern

The financial position of the Company is disclosed on the statement of financial position on page 8. The directors have a reasonable expectation that the Company has adequate financial resources after taking account of the ongoing support from Aetna International Limited to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

By order of the board


Leslie Carter
Director

20 June 2019

Director's report

The directors present the director's report and financial statements for the year ended 31 December 2018.

Registered office

The registered office and principal place of business of the Company is 50, Cannon Street, London, England, EC4N 6JJ.

Principal activity

The principal activity of the Company is to act as an intermediate holding company for an international private medical insurance group.

Dividends

The directors do not recommend the payment of a dividend (2017: nil)

Directors

The directors who held office during the year were as follows:

Damian Connolly
Leslie Carter

Employees

As a holding company, the Company had no employees during the year other than its Directors.

Political and charitable contributions

The Company made no charitable or political donations during the year (2017 nil).

Policy and practice on payment of creditors

It is the Company's policy to pay its providers and other creditors promptly and in any event in accordance with agreed terms and conditions.

Financial instruments

The Company does not maintain any financial instruments. The financial risk factors affecting the Company include credit risk, liquidity risk and market risk. Information on the financial risk management objectives and policies of the Company and the exposure of the Company to the financial risk factors is given in note 4. The Company does not use derivatives to mitigate financial risk.

Capital

The Company's immediate parent, Aetna International Inc. subscribed for an additional 30,000,000, 550,000 and 500,000 USD 1 Ordinary Shares in the Company in February, May and December 2018 respectively.

Director's report (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

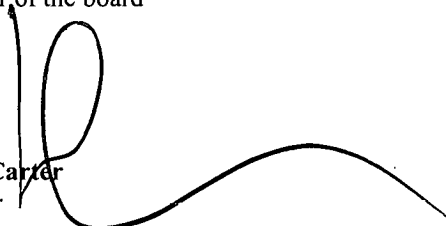
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Auditor

The Company's external auditor is KPMG LLP whose address is 15 Canada Square, London E14 5GL. On the 28 November 2018, the Company's ultimate parent, Aetna Inc, was acquired by CVS Pharmacy Inc and is now part of the CVS Health Corporation Group. The external auditors of the CVS Group are Ernst & Young LLP. As such the Company is expected to engage with Ernst & Young for the 2019 audit.

By order of the board

Leslie Carter
Director



50, Cannon Street,
London
England
EC4N 6JJ

20 June 2019

Statement of director's responsibilities in respect of the strategic report and director's report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AETNA GLOBAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Aetna Global Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Other matter

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



William Greenfield (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

20 June 2019

Statement of Comprehensive Income

For the year ended 31 December 2018

Stated in United States dollars

	Note	31 December 2018	31 December 2017
Administrative expenses	5	(40,208)	(44,500)
Investment impairment	8	(9,772,215)	-
Investment income		-	207,806
(Loss)/Profit before income tax	5	(9,812,423)	163,306
Taxation	7	-	-
(Loss)/Profit retained for the year		(9,812,423)	163,306

There are no items of other comprehensive income.

All operations are continuing operations.

Notes and information on pages 11 to 19 form part of these financial statements.

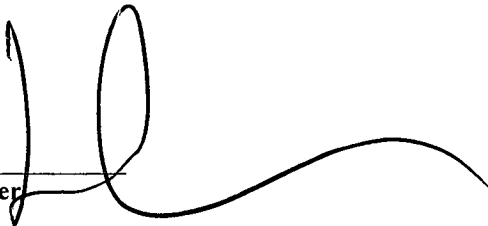
Statement of Financial Position

As at 31 December 2018

Stated in United States dollars

	Note	31 December 2018	31 December 2017
Assets			
Investment in subsidiaries	8	95,220,044	73,033,524
Total non-current assets		95,220,044	73,033,524
Trade and other receivables		1,767	699
Cash and cash equivalents		252,853	287,053
Total current assets		254,620	287,752
Total assets		95,474,664	73,321,276
Liabilities			
Trade and other payables	9	(925,811)	(10,000)
Total liabilities		(925,811)	(10,000)
Net current (liabilities)/assets		(671,191)	277,752
Net assets		94,548,853	73,311,276
Equity			
Share capital	10	117,183,588	86,133,588
Retained deficit		(22,634,735)	(12,822,312)
Total equity		94,548,853	73,311,276

These financial statements were approved by the board of directors on 20 June 2019 and were signed on its behalf by:


Leslie Carter
Director

Notes and information on pages 11 to 19 form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2018
Stated in United States dollars

Attributable to equity holders of the Company

	Share capital	Retained deficit/earnings	Total equity
Balance at 31 December 2016	13,800,001	(12,985,618)	814,383
Profit for the year	-	163,306	163,306
Issued during the year	72,333,587	-	72,333,587
Balance at 31 December 2017	86,133,588	(12,822,312)	73,311,276
Loss for the year	-	(9,812,423)	(9,812,423)
Issued during the year	31,050,000	-	31,050,000
Balance at 31 December 2018	117,183,588	(22,634,735)	94,548,853

Notes and information on pages 11 to 19 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2018
Stated in United States dollars

	Note	31 December 2018	31 December 2017
Cash flows from operating activities			
(Loss)/Profit for the year		(9,812,423)	163,306
<i>Adjustments for:</i>			
Investment income		-	(207,806)
Impairment of investments		9,772,215	-
(Decrease) in trade and other receivables		(1,068)	(60)
Increase/(Decrease) in trade and other payables	9	915,811	(8,104)
Cash generated by/(utilised in) operations		874,535	(52,664)
Dividends received		-	207,806
Net cash inflow from operating activities		874,535	155,142
Cash flows from investing activities			
Investment in subsidiaries	8	(31,958,735)	(72,258,524)
Net cash outflow from investing activities		(31,958,735)	(72,258,524)
Cash flows from financing activities			
Issue of new shares	10	31,050,000	72,333,587
Net cash inflow from financing activities		31,050,000	72,333,587
Net (decrease)/increase in cash and cash equivalents		(34,200)	230,205
Cash and cash equivalents at the beginning of the year		287,053	56,848
Cash and cash equivalents at the end of the year		252,853	287,053

Notes on pages 11 to 19 form part of these financial statements

Notes to the financial statements
(forming part of the financial statements)
Stated in United States dollars

1. Reporting entity

Aetna Global Holdings Limited (the “Company”) is a company domiciled in England. The address of the Company’s registered office is 50, Cannon Street, London, England, EC4N 6JJ. The Company’s principal business activity is acting as a holding company for an international private medical insurance group.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The Company has applied all IFRSs and interpretations adopted by the EU at 31 December 2018.

Notwithstanding a loss for the year ended 31 December 2018 of USD 9,812,423 and net current liabilities of USD 671,191, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Aetna International has indicated its intention to continue to make available such funds as are needed by the company for at least twelve months from the date of approval of these financial statements and the directors are confident that Aetna International will continue to support the company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The financial statements were approved by the Board of Directors on 20 June 2019.

New standards and interpretations adopted

The Company has considered the impact of the following standards that are in issue but not effective in 2018, together with the effective date of application to the Company.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Company in future financial periods, management is assessing the transition options and the potential impact on its financial statements, and to implement these standards. The Company does not plan to adopt these standards early

IFRS 16: Leases (effective 1 January 2019)

IFRS 16 will not have an impact on the financial statements as the Company does not maintain any lease contracts.

In addition to the above, the Directors have considered the other accounting pronouncements that have also been issued but are not yet effective and are not expecting these to have a significant impact on the Company’s financial statements.

There were two new standards applicable to the Company during the year ended 31st December 2018.

Notes to the financial statements
(forming part of the financial statements)
Stated in United States dollars

2. Basis of preparation (continued)

IFRS 9: Financial Instruments (effective 1 January 2018) – refer to impact of financial statements disclosed in note 3(d)

IFRS 15: Revenue from contracts with customers (effective 1 January 2018)

The Company does not earn any revenue and as such IFRS 15 has no impact to the Company's financial statements.

In addition to the above, the following new accounting pronouncements are also effective from 1 January 2018:

- IFRIC 22, 'Foreign Currency Transactions and Advance Consideration';
- Classification and measurement of share-based payment transactions (amendments to IFRS 2, 'Share-based payment');
- Transfers of Investment Property (amendments to IAS 40, 'Investment property'); and
- Annual Improvements to IFRSs 2014–2016 Cycle.

These pronouncements have had no effect on the Company's financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group under the exemption afforded to it by section 248 of the Companies Act 2006, because the Company and all its subsidiary undertakings are included in the consolidated financial statements of CVS Health Corporation; a company incorporated in Delaware, USA.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Information about assumptions and estimation uncertainties at 31 December 2018 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets is included in note 4.

3. Significant accounting policies

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Notes to the financial statements

(forming part of the financial statements)

Stated in United States dollars

3. Significant accounting policies (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) Financial income and expenses

Financial income and expenses include foreign exchange gains and losses on administrative expenses and are recognised on an accruals basis.

(c) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income. Current tax is the expected tax payable on the taxable income 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 periods. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries entities to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(d) Investment in subsidiaries

The Company's investment in subsidiaries is carried at cost less impairment in the statement of financial position.

(e) Non-derivative financial instruments

Non-derivative financial instruments comprise equity investments in equity and securities, trade and other receivables, trade and other payables and cash and cash equivalents.

On 1 January 2018, the Company adopted IFRS 9 Financial Instruments, which guides on the classification and measurement of financial instruments. The company does not hold any financial assets other than cash balances held in bank accounts and intercompany payables and receivables that are repayable on demand; therefore the company continues to account for financial instruments at amortised cost with no need to restate comparatives on application of IFRS 9.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. The inter-group balances are repayable on demand.

Notes to the financial statements (continued)
(forming part of the financial statements)
Stated in United States dollars

3. Significant accounting policies (continued)

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iv) Impairment

Policy applicable before 1 January 2019

The carrying amount of financial instruments is reviewed to determine whether there is any indication of impairment. An asset is impaired where its carrying amount exceeds its recoverable amount. Where any impairment exists, the loss is recognised in the statement of comprehensive income in the financial year in which it arises.

Policy applicable from 1 January 2019

The company recognises loss allowances for expected credit losses (ECLs) on financial assets. The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

All remaining receivables do not have a credit risk due date. Based on credit evaluation performed at year-end, management is of the view that no impairment is required on the balances outstanding at the year-end.

Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

4. Risk management

The Company is exposed to various financial, operational, legal, regulatory and market risks. These include the key risk factors summarised below. The Board manages these risks through a key risk and controls framework to ensure risks are identified and managed in accordance with its risk appetite and mitigated where possible.

The key risks that the Company is exposed to are as follows:

- Financial risk
- Operational risk
- Legal and regulatory risk
- Market Risk

(a) Financial risk

The Company is exposed to financial risk through its financial assets and financial liabilities. The components of financial risk are liquidity and cash flow, credit, and financial market. The extent of the exposure to each of these components varies depending on the specific financial instrument.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The focus of financial risk management for the Company is ensuring that the proceeds from its financial assets are sufficient to fund obligations arising from operational contractual arrangements.

Liquidity and Cash flow Risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when they fall due. The Company has put in place appropriate financial and cash flow management structures so that it is able to anticipate demand for cash and meet obligations as they arise.

Credit Risk

The Company is exposed to credit risk on carried cash and cash equivalent balances. Such credit risk is minimised through the Company's policy of only dealing with banking institutions of an appropriate financial standing and through the carrying of deposit facilities with daily liquidity. At 31 December 2018 the Company carried cash and cash equivalent balances of USD 252,853 with an 'A' rated international banking institution.

Financial market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's trading activity. The Company does not engage in any hedging or forward contract activities however the Directors believe the risk of foreign exchange rate fluctuations to be minimal within one financial year of the balance sheet date. Exchange rate movements are monitored on a monthly basis and any indication that this risk will increase or give rise to a significant exposure is discussed by management and any appropriate actions taken.

Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

4. Risk management (continued)

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations and are faced by all business entities. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management and is overseen by the Board of Directors. Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with management, with summaries submitted to the Audit and Risk Committee and senior management of the Company.

(c) Legal and regulatory risk

The Company, through its subsidiary undertakings, is exposed to potential claims and litigation arising out of the ordinary course of business relating to alleged errors and omissions, or non-compliance with laws and regulations.

(d) Market risk

The Company through its subsidiary undertakings is exposed to the health data analytics and consultancy markets. The key risks affecting the Company are:

- The uncertain economic climate creating additional pressures on the international private medical market,
- Dependency on third party agents,
- Diverse geographical markets.

5. Profit/Loss before taxation

	2018	2017
Profit/Loss before taxation is stated after charging the following:		
Directors' fees (Note 6)	-	-
Auditor's remuneration in respect of these financial statements of \$21,420 was borne by another Group company.		
Auditor's remuneration	2018	2017
Fees in respect of the audit of the Company	-	-

Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

6. Directors' emoluments

	2018	2017
Salaries	123,365	-
Pension Contributions	3,373	-
Other Benefits	437	-
Total directors' emoluments	<u>127,175</u>	<u>-</u>

None of the Company's directors are directly remunerated by the Company. The directors are remunerated by another group company. Those directors believe that USD127,175 including pension costs and other taxable benefit of such remuneration was attributable to their appointment to the Company's Board but this amount has not been recharged. The directors believe that no remuneration was attributable to their appointments to the Company's Board in 2017.

7. Taxation

	2018	2017
Current tax credit		
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total tax expense	<u>-</u>	<u>-</u>
Reconciliation of effective tax rate		
Profit/(Loss) before tax	(9,812,423)	163,306
Tax at the effective rate of UK corporation tax of 19.00% (2017: 19.25%)	(1,864,360)	31,436
Tax effect of:		
Non-deductible expenses	1,856,720	-
Tax-exempt income	-	(40,003)
Current-year losses for which no deferred tax asset is recognised	<u>7,640</u>	<u>8,567</u>
	<u>-</u>	<u>-</u>

Due to uncertainty with regard to future profitability, deferred tax has not been recognised on carried forward trading losses. At 31 December 2018, there are accumulated allowable losses of USD 73,805 for which tax assets have not been recognised.

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016).

These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements (continued)
(forming part of the financial statements)
Stated in United States dollars

8. Investment in subsidiaries

	Health Care Management Company Ltd	Aetna Health Insurance (Thailand) Public Company Ltd	Aetna Holdings (Thailand) Ltd	Minor Health Enterprise Company Ltd	Aetna Korea Ltd	Aetna Insurance Hong Kong Ltd	Virtual Home Health Care LLC
Country of incorporation	Thailand	Thailand	Thailand	Thailand	Korea	Hong Kong	UAE
Direct ownership interest	49%	25%	49%	25%	100%	100%	49%
Balance at 1 January 2017	nil	72,258,524	nil	nil	775,000	nil	nil
Additions	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Balance at 31 December 2017	nil	72,258,524	nil	nil	775,000	nil	nil
Additions	-	-	-	-	-	30,532,924	1,425,811
Impairments	-	-	-	-	-	(8,346,404)	(1,425,811)
Balance at 31 December 2018	nil	72,258,524	nil	nil	775,000	22,186,520	nil

Aetna Korea Limited is a subsidiary acquired in 2016 and acts as a consultancy company.

Health Care Management Company Limited, Aetna Health Insurance (Thailand) Public Company Limited, Minor Health Enterprise Company Limited and Aetna Holdings (Thailand) Limited were acquired in 2017.

Aetna Insurance Hong Kong Limited is a subsidiary acquired in 2018 and acts as an insurance underwriter. Its valuation has been impaired to bring it into line with its 2018 net asset value and forecast loss for 2019.

Virtual Home Health Care LLC is an investment established in 2018 and provides a variety of healthcare services for patients at home and in healthcare facilities. Recognising its reporting loss in 2018 and the future prospects of becoming profitable, the value of this investment was fully impaired during the year.

9. Trade and other payables

	2018	2017
Amounts owed to group undertakings	925,811	10,000
	<u>925,811</u>	<u>10,000</u>

Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

10. Share capital

	No of USD 1 shares issued	USD Share capital	USD Issue consideration
Balance at 31 December 2017	86,133,588	86,133,588	86,133,588
Issued during the year	30,050,000	30,050,000	30,050,000
Balance at 31 December 2018	117,183,588	117,183,588	117,183,588

In February 2018, the Company issued 30,000,000 shares to its shareholder at par; in May 2018 the Company issued 550,000 shares to its shareholder at par and in December a further 500,000 shares were issued to its shareholder at par. These share issues took the total number of issued shares to 117,183,588.

11. Related parties

At 31 December 2018, the Company carried a balance of USD 925,811 due to Aetna Global Benefits ME Limited. This amount is included within trade and other payables.

12. Parent and ultimate controlling party

The Company's entire share capital is directly owned by Aetna International Limited. On the 28th November 2018, the shareholders of the Company's ultimate parent, Aetna Inc, a company incorporated and domiciled in Pennsylvania, USA completed a share sale agreement with CVS Pharmacy Inc for the sale of Aetna Inc. As such, the Company's ultimate parent is now CVS Health Corporation, a company incorporated in Delaware, USA.