Al Firdous Holdings (P.J.S.C.)
And its subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2014

EY
Building a better working world

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.)

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Al Firdous Holdings (P.J.S.C.) (the "Company"), and its subsidiary (the "Group") which comprise the consolidated statement of financial position as at 31 March 2014 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the articles of association of the Company and of the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on conducting the audit in accordance with International Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

a) Receivable on sale of the investment portfolio

As disclosed in note 11 to the financial statements, an amount of AED 326,789,701 (2013: AED 326,789,701) is due from Islamic Arab Insurance Co, Labuan, Malaysia, being the consideration for the sale of the Company's subsidiary, Al Firdous Group Co Ltd for Hotels, and its Islamic investing and financing assets, together referred to as the "investment portfolio". This amount was to have been settled by 31 March 2011 but is still outstanding as of the date of these financial statements. Based on negotiations being held with Islamic Arab Insurance Co, Labuan, no provision has been made against this receivable as the Board of Directors considers the amount will be recovered in full on the eventual disposal of the assets by Islamic Arab Insurance Co, Labuan. However, we have not been provided with sufficient and appropriate audit evidence to support this conclusion. Accordingly, we were unable to determine the extent of provision, if any, that may be required against this receivable. Our report on the financial statements for the year ended 31 March 2013 was qualified in respect of this matter.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.) (continued)

Basis for Disclaimer of Opinion (continued)

b) Advance against the purchase of property

As disclosed in notes 10 and 17 to the financial statements, an amount of AED 289,939,984 (2013: AED 289,939,984) was advanced through a related party for the purchase of land in Dubai. The related party has undertaken to secure the amount of AED 289,939,984 (2013: AED 289,939,984) by the assignment of properties to the Company with a fair value not less than the same amount. However, to date, no assignment of properties has taken place and we have not been provided with sufficient and appropriate audit evidence to support the recoverability of this amount. Accordingly, we were unable to determine whether any provision may be required against the advance for purchase of property. Our report on the financial statements for the year ended 31 March 2013 was also qualified in respect of this matter.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements of the Group.

Ernst & Young

Ernst & Young
Signed by
Joe Murphy
Partner
Registration No. 492

18 June 2014

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	Notes	*2014 AED*	*2013 AED*
Revenue	5	**16,548,916**	13,184,180
Direct costs	6	**(6,801,698)**	(6,395,316)
GROSS PROFIT		**9,747,218**	6,788,864
Income from deposits		**39,482**	71,328
Other income		**56,868**	54,789
Administrative expenses	7	**(3,136,867)**	(2,688,986)
Share of revenue to property owner	8 & 17	**(4,980,778)**	(3,439,338)
PROFIT FOR THE YEAR		**1,725,923**	786,657
Other comprehensive income for the year		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,725,923**	786,657
Basic and diluted earnings per share	4	**0.0022**	0.00079

The attached notes 1 to 21 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	*2014* *AED*	*2013* *AED*
ASSETS			
Non-current asset			
Property, plant and equipment	9	**696,131**	613,657
Current assets			
Inventories		**71,221**	76,591
Accounts receivable and prepayments	10	**303,505,172**	297,234,882
Receivable on sale of the investment portfolio	11	**326,789,701**	326,789,701
Bank balances and cash	12	**7,307,193**	8,921,101
		637,673,287	633,022,275
TOTAL ASSETS		**638,369,418**	633,635,932
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve	14	**4,206,615**	4,034,023
Retained earnings		**25,595,414**	24,422,083
Total equity		**630,696,674**	629,350,751
Non-current liability			
Employees' end of service benefits	15	**208,751**	134,433
Current liability			
Accounts payable and accruals	16	**7,463,993**	4,150,748
Total liabilities		**7,672,744**	4,285,181
TOTAL EQUITY AND LIABILITIES		**638,369,418**	633,635,932

Shk. Khaled Bin Zayed Al Nahyan
Chairman
18 June 2014

The attached notes 1 to 21 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2014

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total equity AED*
Balance at 1 April 2012	600,000,000	894,645	3,955,357	24,024,092	628,874,094
Total comprehensive income for the year	-	-	-	786,657	786,657
Directors' fees (Note 17)	-	-	-	(310,000)	(310,000)
Transfer to statutory reserve	-	-	78,666	(78,666)	-
Balance at 31 March 2013	600,000,000	894,645	4,034,023	24,422,083	629,350,751
Total comprehensive income for the year	-	-	-	1,725,923	1,725,923
Directors' fees (Note 17)	-	-	-	(380,000)	(380,000)
Transfer to statutory reserve	-	-	172,592	(172,592)	-
Balance at 31 March 2014	**600,000,000**	**894,645**	**4,206,615**	**25,595,414**	**630,696,674**

The attached notes 1 to 21 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	Notes	*2014* *AED*	*2013* *AED*
OPERATING ACTIVITIES			
Profit for the year		**1,725,923**	786,657
Non-cash adjustments to reconcile profit to net cash flows from operations:			
Depreciation	9	**339,966**	288,408
Provision for employees' end of service benefits	15	**133,135**	85,364
Income from deposits		**(39,482)**	(71,328)
		2,159,542	1,089,101
Working capital changes:			
Inventories		**5,370**	(76,591)
Accounts receivable and prepayments		**(6,270,290)**	(186,613)
Accounts payable and accruals		**2,933,245**	(1,502,221)
		(1,172,133)	(676,324)
Employees' end of service benefits paid	15	**(58,817)**	(38,265)
Net cash used in operating activities		**(1,230,950)**	(714,589)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(422,440)**	(278,811)
Income from deposits		**39,482**	71,328
Net cash used in investing activities		**(382,958)**	(207,483)
DECREASE IN CASH AND CASH EQUIVALENTS		**(1,613,908)**	(922,072)
Cash and cash equivalents at the beginning of the year		**8,921,101**	9,843,173
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**7,307,193**	8,921,101

1 ACTIVITIES

Al Firdous Holdings (P.J.S.C.) (the "Company") is a public joint stock company registered on 1 July 1998 in the Emirate of Dubai, United Arab Emirates, according to Ministerial Decree Number 106 for the year 1998, and which commenced its operations on 22 October 1998. The address of the Company's registered office is P.O. Box 25233, Dubai, United Arab Emirates.

Up to 31 December 2008, the Company operated as a Group consisting of the Company (the "Parent Company") and Al Firdous Group Co Ltd for Hotels, a company established in the Kingdom of Saudi Arabia and involved in managing and operating hotels and restaurants in the Kingdom of Saudi Arabia and organising Hajj and Umra trips.

With effect from 1 January 2009, the Company sold its 100% owned subsidiary (Al Firdous Group Co Ltd for Hotels) and its Islamic financing and investing assets with Al Massa Co. for Urban Development Jeddah, Kingdom of Saudi Arabia (together referred as the "investment portfolio") for a consideration of AED 326,789,701 (Note 11).

With effect from 1 July 2010, the Company signed a memorandum of understanding with Gulf Oasis Reality, a related party, to manage, operate and maintain the Oasis Court Hotel Apartments located in Bur Dubai, Emirate of Dubai. According to the renewed memorandum of understanding dated 1 January 2013, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 30% of the total revenue (Note 8).

On 31 December 2013, the Company incorporated a subsidiary, Yummy Chain Two L.L.C. The principle activity of the subsidiary is operating a restaurant. This subsidiary didn't carry out any activities up to 31 March 2014.

2 FUNDAMENTAL ACCOUNTING CONCEPT

Although the Group had limited operations during the year, the consolidated financial statements have been prepared on a going concern basis as the Directors consider that, going forward, the Group will be able to generate more profitable business as it is in the process of developing and implementing new investment plans.

3.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been presented in U.A.E. Dirhams (AED), which is the functional and reporting currency of the Group.

The consolidated financial statements are prepared under the historical cost convention.

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

3.2 BASIS OF CONSOLIDATION (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

3.3 CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations
The Group applied, for the first time, certain standards and amendments that require additional disclosure to be made. This is mainly in respect of IFRS 13 Fair Value Measurement.

Several other amendments apply for the first time in 2013. However, they do not impact the consolidated financial statements of the Group. These are listed below:

- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 19 Employee Benefits (Revised 2011)
- Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets
- IAS 1 Clarification of the requirement for comparative information (Amendment)

The nature and the impact of the new standards and amendments applicable to the Group are described below:

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 also requires additional disclosures.

The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

3.3 CHANGES IN ACCOUNTING POLICIES (continued)

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The nature and the impact of the new standards and amendments applicable to the Group are described below:

IFRS 9 Financial Instruments
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 has not yet been specified. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

Several other amendments issued but not yet effective up to the date of issuance of the Group's consolidated financial statement which do not impact the Group's consolidated financial statements are listed below:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- IFRIC Interpretation 21 Levies (IFRIC 21)

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification (continued)
A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Fair value measurement
The Group measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue recognition
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 being made. 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. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Revenue represents the invoiced value of services provided and food and beverage sold by the hotel apartment during the year.

Profit on deposit is recognized as the profits occurs.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

Leasehold improvement	5 years
Furniture and fixtures	6 - 8 years
Machinery and equipment	5 - 8 years
Motor vehicles	5 years

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of comprehensive income in the period the asset is derecognised.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as determined on a weighted average basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Accounts receivable
Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and short term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment and uncollectability of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is an objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that 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. If such evidence exists, any impairment loss is recognised in the consolidated statement of comprehensive income. Impairment is determined as follows:

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of comprehensive income;
b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Operating leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year of AED 1,725,923 net of Directors' fees of AED 380,000 (31 March 2013: AED 786,657 net of Directors' fees of AED 310,000) by the weighted average number of shares outstanding of 600,000,000 shares (31 March 2013: 600,000,000 shares) of AED 1 each outstanding during the year.

The figures for basic and diluted earnings per share are the same as the Group has not issued any instruments which would have a dilutive impact on the earnings per share when exercised.

5 REVENUE

	2014 AED	*2013 AED*
Hotel services	**12,310,880**	10,442,754
Food and beverages	**2,301,253**	1,190,721
Others	**1,936,783**	1,550,705
	16,548,916	13,184,180

6 DIRECT COSTS

	2014 AED	*2013 AED*
Room operation cost	**2,665,700**	2,886,267
Salaries and benefits	**1,512,109**	1,537,619
Cost of food and beverages	**666,003**	517,980
Depreciation (Note 9)	**339,966**	288,408
Others	**1,617,920**	1,165,042
	6,801,698	6,395,316

7 ADMINISTRATIVE EXPENSES

	2014 AED	*2013 AED*
Salaries and benefits	**2,387,443**	2,226,960
Governmental expenses	**55,750**	89,802
Professional fees	**-**	127,000
Marketing expenses	**2,175**	50,635
Annual general meeting expenses	**131,049**	130,811
Rental – operating leases	**383,271**	-
Others	**177,179**	63,778
	3,136,867	2,688,986

8 SHARE OF REVENUE TO PROPERTY OWNER

This represents 30% of total revenues payable to the owner of Gulf Oasis Reality (2013: 30% of total room revenues).

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement AED	*Furniture and fixtures AED*	*Machinery and equipment AED*	*Motor vehicles AED*	*Total AED*
Cost:					
At 1 April 2013	26,800	702,833	552,468	78,652	1,360,753
Additions	-	57,206	157,683	207,551	422,440
At 31 March 2014	**26,800**	**760,039**	**710,151**	**286,203**	**1,783,193**
Depreciation:					
At 1 April 2013	18,924	268,199	412,264	47,709	747,096
Depreciation charge for the year	4,360	84,568	237,038	14,000	339,966
At 31 March 2014	**23,284**	**352,767**	**649,302**	**61,709**	**1,087,062**
Net carrying amount:					
At 31 March 2014	**3,516**	**407,272**	**60,849**	**224,494**	**696,131**

	Leasehold improvement AED	*Furniture and fixtures AED*	*Machinery and equipment AED*	*Motor vehicles AED*	*Total AED*
Cost:					
At 1 April 2012	26,800	644,876	331,614	78,652	1,081,942
Additions	-	57,957	220,854	-	278,811
At 31 March 2013	26,800	702,833	552,468	78,652	1,360,753
Depreciation:					
At 1 April 2012	12,897	196,354	216,779	32,658	458,688
Depreciation charge for the year	6,027	71,845	195,485	15,051	288,408
At 31 March 2013	18,924	268,199	412,264	47,709	747,096
Net carrying amount:					
At 31 March 2013	7,876	434,634	140,204	30,943	613,657

Depreciation has been allocated in the consolidated statement of comprehensive income as follows:

	2014* *AED	*2013 AED*
Direct costs (Note 6)	**339,966**	288,408
	339,966	288,408

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2014 *AED*	*2013* *AED*
Due from related parties (Note 17)	**295,722,144**	295,722,144
Accounts receivable	**977,964**	793,458
Prepayments	**271,633**	262,505
Deposits	**336,750**	330,750
Advances to suppliers	**5,546,667**	30,240
Staff salary advance	**511,685**	76,858
Other receivables	**138,329**	18,927
	303,505,172	297,234,882

Amount due from related parties has been guaranteed by a shareholder of the Group (Note 17).

As at 31 March 2014, accounts receivable at nominal value of AED Nil (2013: AED Nil) were impaired.

As at 31 March the ageing of unimpaired accounts receivables is as follows:

			Past due but not impaired				
	Total *AED*	*Neither past due nor impaired* *AED*	*<30 days* *AED*	*30-60 days* *AED*	*60-90 days* *AED*	*90-120 days* *AED*	*>120 days* *AED*
2014	**977,964**	**241,558**	**124,376**	**207,349**	**157,367**	**58,527**	**188,787**
2013	793,458	505,367	128,629	159,462	-	-	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

11 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

This represents the amount receivable from Islamic Arab Insurance Co., Labuan, Malaysia on the sale of the investment portfolio of the Group comprising Al Firdous Group Co Ltd for Hotels, a wholly owned subsidiary, and Islamic investing and finance assets with Al Masaa Co for Urban Development (together, the investment portfolio). This amount is guaranteed by a related party (Note 17).

On 29 June 2009, the Company signed an agreement with Islamic Arab Insurance Co., Labuan, Malaysia in which the parties agreed to reschedule the outstanding receivable of AED 326,789,701 into installments due every six months starting from 31 August 2010 and ending on 28 February 2012.

On 24 June 2010, and due to a proposed restructuring and investment plans by the Company, the rescheduling agreement was cancelled and both parties entered into another agreement to settle the amount receivable on the sale of the investment portfolio within 12 months from 31 March 2010.

The receivable on sale of the investment portfolio is still outstanding as of the date of these financial statements. Negotiations are being held with Islamic Arab Insurance Co., Labuan for an early resolution to this matter. The Directors consider that the amount will be recovered on the eventual disposal of the investment portfolio and, accordingly, has not made any provision against this receivable.

12 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the consolidated statement of cash flows consist of the following consolidated statement of financial position amounts:

	2014 *AED*	*2013* *AED*
Bank balances and cash	**5,807,193**	2,621,101
Short term deposits	**1,500,000**	6,300,000
	7,307,193	8,921,101

The short term deposits are denominated in AED and carries an effective profit rate of 1.1% p.a. (2013: 1.1% p.a.).

13 SHARE CAPITAL

	2014 *AED*	*2013* *AED*
Issued and fully paid:		
600,000,000 shares @ AED 1 each (2013: 600,000,000 shares @ AED 1 each)	**600,000,000**	600,000,000

14 STATUTORY RESERVE

As required by the UAE Commercial Companies Law of 1984 (as amended) and the Company's articles of association, 10% of the profit for the year is required to be transferred to a statutory reserve until such time that the reserve equals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law.

15 EMPLOYEES' END OF SERVICE BENEFITS

	2014 *AED*	*2013* *AED*
At the beginning of the year	**134,433**	87,334
Provision for the year	**133,135**	85,364
Paid during the year	**(58,817)**	(38,265)
Balance at 31 March	**208,751**	134,433

16 ACCOUNTS PAYABLE AND ACCRUALS

	2014 *AED*	*2013* *AED*
Trade payables	**983,699**	967,599
Due to related parties (Note 17)	**4,990,507**	2,222,042
Accrued expenses	**662,036**	380,253
Directors fees payable (Note 17)	**380,000**	240,000
Other payables	**447,751**	340,854
	7,463,993	4,150,748

17 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

a) Balances due from related parties included in the consolidated statement of financial position are as follows:

	2014 *AED*	*2013* *AED*
Due from Bin Zayed Group	**5,782,160**	5,782,160
Advance against purchase of property	**289,939,984**	289,939,984
	295,722,144	295,722,144

Advance against the purchase of property represents the payment made for the purchase of land in Dubai.

For the year ended 31 March 2014, the Group has recorded no impairment of amounts owed by related party (31 March 2013: AED Nil).

The amount receivable on sale of the investment portfolio has been guaranteed by Bin Zayed Group, a related party. The security provided by Bin Zayed Group against the amount receivable on sale of the investment portfolio is a plot of land located in Dubai, United Arab Emirates which was appraised by an independent property consultant at AED 640,000,000 as of 31 October 2008.

Bin Zayed Group has also undertaken to secure the amount of AED 295,722,144 by the assignment of properties to the Group with a fair value not less than the same amount.

b) Balances due to related parties included in the consolidated statement of financial position are as follows:

	2014 *AED*	*2013* *AED*
Other related parties	**4,990,507**	2,222,042
Director fees payable	**380,000**	240,000

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

c) Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	2014 *AED*	*2013* *AED*
Share of revenue to property owner	**4,980,778**	3,439,338

d) Compensation of Directors and key management personnel is as follows:

	2014 *AED*	*2013* *AED*
Directors fees	**380,000**	310,000

18 COMMITMENTS

The Group has no future obligations or commitments as of 31 March 2014 (31 March 2013: Nil).

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade payables, due to related parties and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as receivable on sale of the investment portfolio, due from a related party, bank balances and cash, short-term deposits and accounts receivable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are profit rate risk, liquidity risk, credit risk and currency risk. The Management reviews and agrees policies for managing each of these risks which are summarised below:

Profit rate risk
Profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

As of 31 March 2014, the Group is not exposed to any significant profit rate risk as the Group has no liabilities that carry profit and the fixed deposits with the bank earn a fixed rate of profit throughout the year.

Liquidity risk
The Group limits its liquidity risk by ensuring that adequate liquid funds and bank facilities are available. The Group's terms of sale require amounts to be paid within 30 days from the last day of the relevant month with the exception of amount receivable on sale of the Investment Portfolio. Trade payables are normally settled within 30 - 60 days of the date of purchase.

The Group's objective is to maintain a balance between continuity of funding and flexibility through its operations and the use of bank facilities, if required.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 March, based on contractual payment dates and current market interest rates.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

At 31 March 2014

	Within 1 year AED	*Total AED*
Trade payables	**983,699**	**983,699**
Due to related parties	**4,990,507**	**4,990,507**
Other payables and accrued expenses	**1,489,787**	**1,489,787**
Total	**7,463,993**	**7,463,993**

At 31 March 2013

	Within 1 year AED	*Total AED*
Trade payables	967,599	967,599
Due to related parties	2,222,042	2,222,042
Other payables and accrued expenses	721,107	721,107
Total	3,910,748	3,910,748

Credit risk
The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitors outstanding receivables, a provision is made for any specific debts considered doubtful of recovery.

The Group limits its credit risk with regard to bank deposits by only dealing with reputable banks.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, receivable on sale of the investment portfolio, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Currency risk
The Group is not exposed to any significant currency risk.

Capital Management
The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to, ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Capital comprises share capital, additional paid in capital, statutory reserve and retained earnings, and is measured at AED 630,696,674 as at 31 March 2014 (2013: AED 629,350,751).

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, short term deposits, receivable on sale of the investment portfolio, due from related parties and accounts receivable. Financial liabilities consist of accounts payable, due to related parties, accrued expense and certain other payables.

20 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair value of the Group's financial assets and liabilities are not materially different from their carrying value at the consolidated statement of financial position date.

21 KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates
The preparation of the consolidated financial statements, in conformity with International Financial Reporting Standards, requires that the management make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

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 discussed below:

Impairment of accounts receivable
An estimate of the collectible amount of accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates.

At the consolidated statement of financial position date, gross accounts receivable including the receivable on sale of the investment portfolio and due from related parties were AED 623,489,809 (31 March 2013: AED 623,305,303) and allowance for doubtful debts was AED Nil (31 March 2013: AED Nil).

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the statement of financial position date, gross inventories were AED 71,221 (2013: AED 76,591) with no provisions for obsolete inventories (2013: AED Nil). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Useful lives and depreciation of property, plant and equipment
The management periodically reviews estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.