Al Firdous Holdings P.J.S.C.
And its Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2017

الفـــردوس
الفـردوس القـابضـة ش.م.ع
Al Firdous
Al Firdous Holding P.J.S.C
المقر الرئيسي

DIRECTORS' REPORT

The Directors present their report and consolidated financial statements for the year ended 31 March 2017.

RESULTS

During the year ended 31 March 2017, Al Firdous Holding P.J.S.C and its subsidiary (the "Group") earned total revenues of AED 4,155,157 (2016: AED 7,052,366). The net loss for the year amounted to AED 9,179,968 (2016: AED 13,330,474).

GOING CONCERN

The Group has incurred a loss of AED 9,179,968 for year ended 31 March 2017 (31 March 2016 loss of: AED 13,330,474) and has accumulated losses of AED 12,719,801 as at 31 March 2017 (31 March 2016 loss of: AED 3,539,833). Notwithstanding this fact, the consolidated financial statements of the Group have been prepared on a going concern basis as the Board of Directors believes that the future operations of the Group will be able to support its business and to meet its obligations as they fall due.

The Board of Directors has resolved to convene a shareholders' general assembly within 6 months of the year ended in order to decide on the going concern of the Group.

THE BOARD OF DIRECTORS

Dubai
United Arab Emirates

14 May 2017

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.) AND ITS SUBSIDIARY

Report on the audit of the consolidated financial statements

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of AL FIRDOUS HOLDINGS (P.J.S.C.) AND ITS SUBSIDIARY (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2017, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs below, 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.

Basis for disclaimer of opinion

a) Receivable on sale of the investment portfolio

As disclosed in Note 10 to the consolidated financial statements, an amount of AED 326,789,701 (2016: AED 326,789,701) is due from Islamic Arab Insurance Co. Labuan, Malaysia, being the consideration for the sale of the Group's subsidiary, Al Firdous Group Co. Ltd. for Hotels, and its Islamic investing and financing assets, collectively referred to as the "Investment Portfolio". This amount was due for settlement by 31 March 2011 but is still outstanding as of the date of these consolidated financial statements. The Board of Directors considers that 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 consolidated financial statements for the year ended 31 March 2016 was disclaimed in respect of this matter.

b) Advance against the purchase of property

As disclosed in notes 9 and 16 to the consolidated financial statements, an amount of AED 289,939,984 (2016: 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 (2016: AED 289,939,984) by the assignment of properties to the Group 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 consolidated financial statements for the year ended 31 March 2016 was also disclaimed in respect of this matter.

Building a better working world

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.) AND ITS SUBSIDIARY (continue)

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Group's Articles/Memorandum of Association and the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

We were engaged to conducted our audit in accordance with International Standards on Auditing ("ISAs"). However, because of the matters described in the Basis for disclaimer of opinion section above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements and we do not express an opinion on the consolidated financial statements of the Group. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

Emphasis of matter
We draw attention to Note 2 to the consolidated financial statements. As stated therein, the Group has incurred a loss of AED 9,179,968 for year ended 31 March 2017 (31 March 2016: AED 13,330,474) and has accumulated losses of AED 12,719,801 as at 31 March 2017 (31 March 2016: AED 3,539,833). Notwithstanding this fact, the consolidated financial statements of the Group have been prepared on a going concern basis as management believes that the future operations of the Group will be able to support its business and to meet its obligations as they fall due. Besides the major shareholder has continued the financial support during the period ended 31 March 2017 and have committed to do so in the foreseeable future.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AL FIRDOUS HOLDINGS (P.J.S.C.) AND ITS SUBSIDIARY (continue)

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that, except for the matters referred to in the basis of disclaimer opinion paragraphs:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 , and the Articles of Association of the Group;

iii) the Group has maintained proper books of account;

iv) the consolidated financial information included in the Directors' report is consistent with the books of account of the Group;

v) the Group has not purchased or invested in shares or stocks during the year ended 31 March 2017;

vi) note 16 reflects disclosures related to related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 March 2017 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 March 2017; and

viii) based on the information provided to us, no social contributions were made during the year.

For Ernst & Young

T.S. Hari Gopal

Thodla Hari Gopal
Partner
Registration No. 689

14 May 2017

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	*2017* *AED*	*2016* *AED*
Revenue	5	**4,155,157**	7,052,366
Direct costs	6	**(9,360,546)**	(11,747,274)
GROSS LOSS		**(5,205,389)**	(4,694,908)
Reversal of provision for staff receivables	9	**487,206**	-
Administrative expenses	7	**(4,461,785)**	(8,635,566)
LOSS FOR THE YEAR		**(9,179,968)**	(13,330,474)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(9,179,968)**	(13,330,474)
Basic and diluted loss per share	4	**(0.0153)**	(0.0222)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

	Notes	2017 AED	2016 AED
ASSETS			
Non-current asset			
Property, plant and equipment	8	**15,903,234**	19,699,669
Current assets			
Inventories		**25,829**	49,508
Accounts receivable and prepayments	9	**298,196,501**	296,741,243
Receivable on sale of the investment portfolio	10	**326,789,701**	326,789,701
Bank balances and cash	11	**98,493**	173,848
		625,110,524	623,754,300
TOTAL ASSETS		**641,013,758**	643,453,969
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve	13	**4,206,615**	4,206,615
Accumulated losses		**(12,719,801)**	(3,539,833)
Total equity		**592,381,459**	601,561,427
Non-current liability			
Employees' end of service benefits	14	**285,094**	346,009
		285,094	346,009
Current liabilities			
Accounts payable and accruals	15	**10,004,274**	15,260,506
Due to related parties	16b	**38,342,931**	26,286,027
		48,347,205	41,546,533
Total liabilities		**48,632,299**	41,892,542
TOTAL EQUITY AND LIABILITIES		**641,013,758**	643,453,969

These financial statements were approved by the board of directors on 30 April 2017 and signed on their behalf by:

Shk. Khaled Bin Zayed Al Nahyan
Chairman
14 May 2017

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

Al Firdous Holdings (P.J.S.C.) and its Subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings/ (accumulated losses) AED*	*Total equity AED*
Balance at 1 April 2015	600,000,000	894,645	4,206,615	9,790,641	614,891,901
Total comprehensive loss for the year	-	-	-	(13,330,474)	(13,330,474)
Balance at 31 March 2016	600,000,000	894,645	4,206,615	(3,539,833)	601,561,427
Total comprehensive loss for the year	-	-	-	(9,179,968)	(9,179,968)
Balance at 31 March 2017	**600,000,000**	**894,645**	**4,206,615**	**(12,719,801)**	**592,381,459**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Notes	*2017* *AED*	*2016* *AED*
OPERATING ACTIVITIES			
Loss for the year		**(9,179,968)**	(13,330,474)
Adjustments for:			
Depreciation	8	**3,748,646**	3,758,416
Reversal of provision for staff receivables		**(487,206)**	-
Provision for employees' end of service benefits	14	**26,482**	420,142
		(5,892,046)	(9,151,916)
Working capital adjustments:			
Inventories		**23,679**	51,832
Accounts receivable and prepayments		**(968,052)**	5,976,992
Accounts payable and accruals		**(5,207,378)**	(4,244,002)
Due to related parties		**12,056,904**	11,310,405
		13,107	3,943,311
Employees' end of service benefits paid	14	**(87,397)**	(279,567)
Net cash used in operating activities		**(74,290)**	3,663,744
INVESTING ACTIVITY			
Purchase of property, plant and equipment	8	**(1,065)**	(3,970,705)
Net cash used in investing activity		**(1,065)**	(3,970,705)
DECREASE IN BANK BALANCES AND CASH		**(75,355)**	(306,961)
Bank balances and cash at the beginning of the year		**173,848**	480,809
BANK BALANCES AND CASH AT THE END OF THE YEAR	11	**98,493**	173,848

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

1 ACTIVITIES

Al Firdous Holdings (P.J.S.C.) (the "Company") is a public joint stock company registered on 1 July 1998 in 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 10).

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. On 3 February 2015, the Company ceased to manage, operate, and maintain the Oasis Court Hotel Apartment.

On 31 December 2014, the Company incorporated a subsidiary, Yummy Chain Two L.L.C. The principle activity of the subsidiary is operating restaurants in the Emirate of Dubai.

2 FUNDAMENTAL ACCOUNTING CONCEPT

The Group has incurred a loss of AED 9,179,968 for year ended 31 March 2017 (31 March 2016: AED 13,330,474) and has accumulated losses of AED 12,719,801 as at 31 March 2017 (31 March 2016: AED 3,539,833). Notwithstanding this fact, the consolidated financial statements of the Group have been prepared on a going concern basis as management believes that the future operations of the Group will be able to support its business and to meet its obligations as they fall due. Besides the major shareholder has continued the financial support during the period ended 31 March 2017 and have committed to do so in the foreseeable future.

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) and applicable requirements of United Arab Emirates Laws.

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.

The Federal Law No. 2 of 2015, concerning Commercial Companies has come into effect from 28 June 2015, replacing the existing Federal Law No. 8 of 1984. The Group is currently assessing the impact of the new law and expects to be fully compliant on or before the end of the grace period on 30 June 2017.

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise those of Al Firdous Holding (PSJC) (the "Parent Company") and its subsidiary (collectively the "Group"). The consolidated financial statements incorporate the financial statements of the Company and its subsidiary for the year ended 31 March each year.

A subsidiary is an entity over which the Parent has all the following:
- Power over the investee - the Group has existing rights that give it the current ability to direct the activities that significantly affect the investee's returns;
- Exposure, or rights, to variable returns from its involvement with the subsidiary; and,
- The ability to use its power over the investee to affect the amount of the Group's returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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 consolidated financial statements 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 consolidated 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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss.

The consolidated financial statements includes the financial figures for the Company and its subsidiary:

Subsidiary	*Principal activity*	*Country of incorporation*	*Ownership*
Yummy Chain Two L.L.C.	operating restaurants	United Arab Emirates	100%

3.3 CHANGES IN ACCOUNTING POLICIES

New standards and interpretations effective for annual period beginning on or after 1 January 2016

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The nature and the impact of each new standard and amendment is described below:

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator that is accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting.

3.3 CHANGES IN ACCOUNTING POLICIES (continued)

New standards and interpretations effective for annual period beginning on or after 1 January 2016 (continued)

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests (continued)

The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have significant impact to the Group.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. These amendments do not have any impact on the Group's financial statements.

Annual Improvements to IFRSs (2012-2014 cycle)
These Annual Improvements to IFRSs (2012-2014 cycle) are effective for annual periods beginning on or after 1 January 2016 and are not expected to have an impact on the Group. They include:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*
  This amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

3.3 CHANGES IN ACCOUNTING POLICIES (continued)

New standards and interpretations effective for annual period beginning on or after 1 January 2016 (continued)

Annual Improvements to IFRSs (2012-2014 cycle) (continued)

- *IFRS 7 Financial Instruments: Disclosures – Servicing Contracts*
  This standard requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in IFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- *IFRS 7 - Applicability of the Amendments to IFRS 7 to Condensed Interim Financial Statements*
  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- *IAS 19, Employee Benefits - Regional Market Issue Regarding Discount Rate*
  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- *IAS 34 Interim Financial Reporting*
  This amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception
These amendments clarify that the exemption in IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value and that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity parent is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The Group is currently assessing the impact of these amendments.

IFRS 14, Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of income and other comprehensive income (OCI). The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing IFRS preparer, this standard does not apply.

Amendments IAS 1, Presentation of Financial Statements - Disclosure Initiative
The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in IFRS. They clarify the following:

- That entities shall not reduce the understandability of their financial statements by either obscuring material information within immaterial information; or aggregating material items that have different nature or functions;

3.3 CHANGES IN ACCOUNTING POLICIES (continued)

New standards and interpretations effective for annual period beginning on or after 1 January 2016 (continued)

Amendments IAS 1, Presentation of Financial Statements - Disclosure Initiative

- That specific line items in the statement of income and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements; and
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Early application is permitted and entities do not need to disclose that fact as the amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates. The Group is currently assessing the impact of these amendments.

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 financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9, Financial Instruments
In July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9, *Financial Instruments*. The new standard (renamed as IFRS 9) reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.
IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The Group did not early adopt IFRS 9.

The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting and on the amount of its credit losses. The Group is currently assessing the impact of adopting this standard.

IFRS 15, Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

IFRS 16, Leases
On 13 January 2016, the IASB issued its new standard, IFRS 16 which replaces IAS 17, the current leases standard, and the related Interpretations. Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

3.3 CHANGES IN ACCOUNTING POLICIES (continued)

IFRS 16, Leases (continued)

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date once adopted locally.

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.

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.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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 discounts, rebates, and other sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order 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 following specific recognition criteria must also be met before revenue is recognised:

Sales of food and beverages
Revenue from the sale of foods and beverages is recognised upon consumption.

Interest Income
Interest income is recognized on a time proportion basis.

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 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.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories
Inventories are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. Replacement and damages are written off to the statement of comprehensive income. Cost for other inventories is the actual cost incurred.

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

Bank balances and cash
For the purpose of the consolidated statement of cash flows, bank balances and cash comprise cash on hand and in bank that earn interest at their respective bank deposit rates.

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.

Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

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.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting
Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Group intends to settle on a net basis.

4 BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year of AED 9,179,968 (31 March 2016: loss for the year of AED 13,330,474) by the weighted average number of shares outstanding of 600,000,000 shares (31 March 2016: 600,000,000 shares) of AED 1 each outstanding during the year.

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

5 REVENUE

	2017 AED	*2016 AED*
Food and beverages	**4,155,157**	7,052,366
	4,155,157	7,052,366

6 DIRECT COSTS

	2017 AED	*2016 AED*
Salaries and benefits	**2,701,665**	4,893,696
Cost of food and beverages	**1,029,517**	2,028,119
Depreciation (Note 8)	**3,748,646**	3,758,416
Others	**1,880,718**	1,067,043
	9,360,546	11,747,274

7 ADMINISTRATIVE EXPENSES

	2017 AED	*2016 AED*
Salaries and benefits	**1,150,708**	1,223,424
Rental	**2,187,614**	3,207,505
Annual general meeting expenses	**-**	133,210
Governmental expenses	**362,483**	254,828
Utilities expenses	**38,912**	313,359
IT expenses	**194,993**	53,376
Insurance expenses	**130,354**	-
Others	**396,721**	3,449,864
	4,461,785	8,635,566

8 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement AED	*Furniture and fixtures AED*	*Machinery and equipment AED*	*Motor vehicles AED*	*Total AED*
Cost:					
At 1 April 2016	12,234,014	2,299,280	10,967,027	367,850	25,868,171
Additions	500	125	-	440	1,065
Disposals	-	-	(57,900)	(28,951)	(86,851)
At 31 March 2017	**12,234,514**	**2,299,405**	**10,909,127**	**339,339**	**25,782,385**
Depreciation:					
At 1 April 2016	2,758,630	566,897	2,622,724	220,251	6,168,502
Depreciation charge for the year	1,696,741	334,065	1,587,984	129,856	3,748,646
Disposals	-	-	(21,109)	(16,888)	(37,997)
At 31 March 2017	**4,455,371**	**900,962**	**4,189,599**	**333,219**	**9,879,151**
Net carrying amount:					
At 31 March 2017	**7,779,143**	**1,398,443**	**6,719,528**	**6,120**	**15,903,234**

	Leasehold improvement AED	*Furniture and fixtures AED*	*Machinery and equipment AED*	*Motor vehicles AED*	*Total AED*
Cost:					
At 1 April 2015	8,297,682	2,269,512	10,962,422	367,850	21,897,466
Additions	3,936,332	29,768	4,605	-	3,970,705
At 31 March 2016	12,234,014	2,299,280	10,967,027	367,850	25,868,171
Depreciation:					
At 1 April 2015	1,061,888	232,832	1,029,312	86,054	2,410,086
Depreciation charge for the year	1,696,742	334,065	1,593,412	134,197	3,758,416
At 31 March 2016	2,758,630	566,897	2,622,724	220,251	6,168,502
Net carrying amount:					
At 31 March 2016	9,475,384	1,732,383	8,344,303	147,599	19,699,669

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

	2017 AED	*2016 AED*
Direct costs (Note 6)	**3,748,646**	3,758,416

9 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2017 *AED*	*2016* *AED*
Due from related parties (Note 16a)	**295,840,240**	295,722,144
Accounts receivable (net of provision)	**48,249**	-
Prepayments	**1,439,212**	187,286
Deposits	**669,974**	679,974
Advances to suppliers	**58,749**	4,450
Staff salary advance *	**-**	60,640
Other receivables	**140,077**	86,749
	298,196,501	296,741,243

* During the year management has revered provision for staff receivables for an amount of AED 487,206 as it was charged to a related party who approved charging the balance for his account.

Amount due from related parties has been guaranteed by a shareholder of the Group (Note 16).

As at 31 March 2017, accounts receivable at nominal value of AED 7,380 (2016: AED 7,380) 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*
2017	**48,249**	**48,249**	-	-	-	-	-
2016	-	-	-	-	-	-	-

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.

10 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 16).

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 consolidated 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.

11 BANK BALANCES AND CASH

Bank balances and cash in the consolidated statement of cash flows consist of the following consolidated statement of financial position amounts:

	2017 *AED*	*2016* *AED*
Cash on hand	**24,363**	57,663
Cash at banks	**74,130**	116,185
	98,493	173,848

12 SHARE CAPITAL

	2017 *AED*	*2016* *AED*
Issued and fully paid:		
600,000,000 @ AED 1 each (2016: 600,000,000 shares @ AED 1 each)	**600,000,000**	600,000,000

13 STATUTORY RESERVE

As required by the UAE Commercial Companies Law No. (2) of 2015 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.

14 EMPLOYEES' END OF SERVICE BENEFITS

	2017 *AED*	*2016* *AED*
At the beginning of the year	**346,009**	205,434
Provision for the year	**26,482**	420,142
Paid during the year	**(87,397)**	(279,567)
Balance at 31 March	**285,094**	346,009

15 ACCOUNTS PAYABLE AND ACCRUALS

	2017 *AED*	*2016* *AED*
Trade payables	**8,969,771**	12,320,341
Accrued expenses	**216,299**	1,004,753
Directors fee payable (Note 16b)	**600,000**	600,000
Other payables	**218,204**	1,335,412
	10,004,274	15,260,506

16 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:

	2017 *AED*	*2016* *AED*
Due from Bin Zayed Group -Entity under common control	**5,782,160**	5,782,160
Advance against purchase of property -Entity under common control	**289,939,984**	289,939,984
Other related parties	**118,096**	-
	295,840,240	295,722,144

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

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.

For the year ended 31 March 2017, the Group has recorded AED Nil impairment of amounts owed by related party (31 March 2016: AED Nil).

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

	2017 *AED*	*2016* *AED*
Other related parties under common interest	**38,342,931**	26,286,027
Director fee payable	**600,000**	600,000

Balances due to related parties are current in nature, interest-free, and unsecured. These are due to be settled on demand within twelve months after the reporting date.

17 COMMITMENTS AND CONTINGENCIES

The Group has AED Nil capital commitments or contingent liabilities as of 31 March 2017 (31 March 2016: AED Nil).

18 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 2017, 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 from related parties 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.

At 31 March 2017

	Within 1 year AED	***Total AED***
Trade payables	**8,969,771**	**8,969,771**
Due to related parties	**38,342,931**	**38,342,931**
Other payables and accrued expenses	**1,034,503**	**1,034,503**
Total	**48,347,205**	**48,347,205**

At 31 March 2016

	Within 1 year AED	*Total AED*
Trade payables	12,320,341	12,320,341
Due to related parties	26,286,027	26,286,027
Other payables and accrued expenses	2,940,165	2,940,165
Total	41,546,533	41,546,533

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 bank balances and cash, 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. Due from related parties are guaranteed by a major shareholder.

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 accumulated losses, and is measured at AED 592,381,459 as at 31 March 2017 (2016: AED 601,561,427).

19 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.

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.

20 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 625,078,367 (31 March 2016: AED 622,511,845) and allowance for doubtful debts was AED 7,380 (31 March 2016: AED 7,380).

20 KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates (continued)

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 25,829 (2016: AED 49,508) with AED Nil provisions for obsolete inventories (2016: 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.

Going concern
The Group management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

21 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. As at 31 March 2016 the Group classified AED 26,286,027 as part of 'Accounts payable and accruals' which was correctly classified as part of the 'Due to related parties' as at 31 March2017. The reclassification did not have any impact on the equity of the Group as of 31 March 2016.

Consolidated statement of financial position

	As Previously reported AED	*Classified AED*	*As reported AED*
Year ended 31 March 2016:			
Accounts payable and accruals	41,546,533	(26,286,027)	15,260,506
Due to related parties	-	26,286,027	(26,286,027