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

CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2016

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الفردوس القابضة ش.م.ع

Al Firdous
Al Firdous Holding P.J.S.C

DIRECTORS' REPORT

The Directors present their report and consolidated financial statements for the year ended 31 March 2016.

RESULTS

During the year ended 31 March 2016, Al Firdous Holding P.J.S.C and its subsidiary (the "Group") earned total revenues of AED 7,052,366 (2015: AED 19,234,566). The net loss for the year amounted to AED 13,330,474 (2014: AED 15,584,773).

AUDITORS

A resolution for appointment of auditors for the year ending 31 March 2017 will be put to the members at the Annual General Meeting.

THE BOARD OF DIRECTORS

Dubai
United Arab Emirates

28 June 2016

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 consolidated financial statements of Al Firdous Holdings (P.J.S.C.) (the "Company") and its subsidiary together (the "Group") which, comprise the consolidated statement of financial position as at 31 March 2016 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.

Directors' Responsibility for the Consolidated Financial Statements
Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of 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.

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 consolidated financial statements, an amount of AED 326,789,701 (2015: 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, collectively 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 consolidated financial statements for the year ended 31 March 2015 was qualified in respect of this matter.

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 consolidated financial statements, an amount of AED 289,939,984 (2015: 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 (2015: 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 consolidated financial statements for the year ended 31 March 2015 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.

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 13,330,474 for year ended 31 March 2016 (31 March 2015: AED 15,584,773) and has accumulated losses of AED 3,539,833 as at 31 March 2016 (31 March 2015: retained earnings of AED 9,790,641). Notwithstanding this fact, the 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. 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.

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

Report on other legal and regulatory requirements

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

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 Company;

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 2016;

vi) note 17 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 Company has contravened during the financial year ended 31 March 2016 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 2016; and

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

Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration No. 690

29 June 2016

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

	Notes	*2016 AED*	*2015 AED*
Revenue	5	**7,052,366**	19,234,566
Direct costs	6	**(11,747,274)**	(17,078,465)
GROSS (LOSS)/ PROFIT		**(4,694,908)**	2,156,101
Income from deposits		-	7,321
Other income		-	73,421
Administrative expenses	7	**(8,635,566)**	(13,997,439)
Share of revenue to property owner	8 & 17	-	(3,824,177)
LOSS FOR THE YEAR		**(13,330,474)**	(15,584,773)
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(13,330,474)**	(15,584,773)
Basic and diluted losses per share	4	**(0.0222)**	(0.0260)

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	*2016* *AED*	*2015* *AED*
ASSETS			
Non-current asset			
Property, plant and equipment	9	**19,699,669**	19,487,380
Current assets			
Inventories		**49,508**	101,340
Accounts receivable and prepayments	10	**296,741,243**	302,718,235
Receivable on sale of the investment portfolio	11	**326,789,701**	326,789,701
Bank balances and cash	12	**173,848**	480,809
		623,754,300	630,090,085
TOTAL ASSETS		**643,453,969**	649,577,465
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**	4,206,615
(Accumulated losses) / retained earnings		**(3,539,833)**	9,790,641
Total equity		**601,561,427**	614,891,901
Non-current liability			
Employees' end of service benefits	15	**346,009**	205,434
Current liability			
Accounts payable and accruals	16	**41,546,533**	34,480,130
Total liabilities		**41,892,542**	34,685,564
TOTAL EQUITY AND LIABILITIES		**643,453,969**	649,577,465

Shk. Khaled Bin Zayed Al Nahyan
Chairman
28 June 2016

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Share capital	*Additional paid in capital*	*Statutory reserve*	*Retained earnings/ (accumulated losses)*	*Total equity*
	AED	*AED*	*AED*	*AED*	*AED*
Balance at 1 April 2013	600,000,000	894,645	4,206,615	25,595,414	630,696,674
Total comprehensive loss for the year	-	-	-	(15,584,773)	(15,584,773)
Directors' fees (Note 17d)	-	-	-	(220,000)	(220,000)
Balance at 31 March 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)
Directors' fees (Note 17d)	-	-	-	-	-
Balance at 31 March 2016	**600,000,000**	**894,645**	**4,206,615**	**(3,539,833)**	**601,561,427**

The attached notes 1 to 22 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Notes	*2016* *AED*	*2015* *AED*
OPERATING ACTIVITIES			
Loss for the year		**(13,330,474)**	(15,584,773)
Adjustments for:			
Depreciation	9	**3,758,416**	2,117,543
Provision for employees' end of service benefits	15	**420,142**	181,009
Income from deposits		**-**	(7,321)
Write off of property, plant and equipment		**-**	587,561
		(9,151,916)	(12,705,981)
Working capital adjustments:			
Inventories		**51,832**	(30,119)
Accounts receivable and prepayments		**5,976,992**	786,937
Accounts payable and accruals		**(4,244,002)**	16,811,022
		(7,367,094)	4,274,298
Employees' end of service benefits paid	15	**(279,567)**	(184,326)
Net cash (used in) / generated from operating activities		**(7,646,661)**	4,089,972
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(3,970,705)**	(21,496,353)
Income from deposits		**-**	7,321
Net cash used in investing activities		**(3,970,705)**	(21,489,032)
FINANCING ACTIVITY			
Due to related parties		**11,310,405**	9,985,115
Net cash generated from financing activity		**11,310,405**	9,985,115
DECREASE IN CASH AND CASH EQUIVALENTS		**(306,961)**	(6,826,384)
Cash and cash equivalents at the beginning of the year		**480,809**	7,307,193
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**173,848**	480,809

The attached notes 1 to 22 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 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 3 February 2016, The Company seized to manage, operate, and maintain the Oasis Court to the 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

Although the Group incurred a loss 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.

We draw attention to Note 2.2 to the consolidated financial statements. As stated therein, The Group has incurred a loss of AED 13,330,474 for year ended 31 March 2016 (31 March 2015: AED 15,584,773) and has accumulated losses of AED 3,539,833 as at 31 March 2016 (31 March 2015: retained earnings of AED 9,790,641). Notwithstanding this fact, the 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. 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.

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 1 July 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 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,
(together referred to as the "Group"):

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

3.3 CHANGES IN ACCOUNTING POLICIES

Changes in accounting policies and disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective as of 1 January 2015:

- IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19- Effective for annual periods beginning on or after 1 July 2014
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The adoption of the above standards or interpretation did not have any material impact on the consolidated financial statements of the Group.

3.3 CHANGES IN ACCOUNTING POLICIES (continued)

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective as of 1 January 2015:

- IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19- Effective for annual periods beginning on or after 1 July 2014
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The adoption of the above standards or interpretation did not have any material impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective are disclosed below to the extent that they are relevant to the Group's consolidated financial statements. These standards and interpretations will become effective for annual periods beginning on or after the dates as respectively mentioned there against. The Group intends to adopt these standards, if applicable, when they become effective.

- IFRS 9 Financial Instruments (1 January 2018);
- IFRS 15 Revenue from Contracts with Customers – effective for annual periods beginning on or after 1 January 2018;
- IFRS 16 Leases – effective for annual periods beginning on or after 1 January 2019;
- IAS 1 Disclosure Initiative – Amendments to IAS 1 – effective for annual periods beginning on or after 1 January 2016;

- IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – effective for annual periods beginning on or after 1 January 2016;
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation –Amendments to IAS 16 and IAS 38 – effective for annual periods beginning on or after 1 January 2016;
- IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27 – effective for annual periods beginning on or after 1 January 2016;
- AIP IFRS 7 Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim financial statements – effective for annual periods beginning on or after 1 January 2016;
- AIP IAS 19 Employee Benefits - Discount rate: regional market issue; – effective for annual periods beginning on or after 1 January 2016;and
- AIP IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report' – effective for annual periods beginning on or after 1 January 2016.

The Group is currently assessing the impact of IFRS 9, IFRS 15 and IFRS 16. The Group has assessed the impact of other standards, amendment to standards, revisions and interpretations. Based on the assessment, the other standards, amendments to standards, revisions and interpretations have no material impact on the consolidated financial statements of the Group.

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.

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.

3.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company 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.

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.

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 Company 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.

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 13,330,474 net of Directors' fees of AED 102,000 (31 March 2015: loss for the year of AED 15,584,773 net of Directors' fees of AED Nil) by the weighted average number of shares outstanding of 600,000,000 shares (31 March 2015: 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

	2016 *AED*	*2015* *AED*
Hotel services (*)	-	9,854,626
Food and beverages	**7,052,366**	7,987,367
Others (*)	-	1,392,573
	7,052,366	19,234,566

(*) Comparative figures are not disclosed due to the termination of the management agreement with Gulf Oasis Reality in 3 February 2015.

6 DIRECT COSTS

	2016 *AED*	*2015* *AED*
Room operation cost	-	991,535
Salaries and benefits	**4,893,696**	8,154,258
Cost of food and beverages	**2,028,119**	2,449,523
Depreciation (Note 9)	**3,758,416**	2,117,543
Others	**1,067,043**	3,365,606
	11,747,274	17,078,465

7 ADMINISTRATIVE EXPENSES

	2016 *AED*	*2015* *AED*
Salaries and benefits	**1,223,424**	2,038,564
Rental	**3,207,505**	4,983,200
Annual general meeting expenses	**133,210**	149,291
Governmental expenses	**12,500**	85,170
Utilities expense	**313,359**	1,563,434
Marketing and advertising expenses	**300**	8,350
Others	**3,745,268**	5,169,430
	8,635,566	13,997,439

8 SHARE OF REVENUE TO PROPERTY OWNER

This represents 30% of total revenues payable to the owner of Gulf Oasis Reality (2015: 30% of total room revenues). The contract with Gulf Oasis Reality to manage, operate, and maintain the Oasis Court Hotel Apartments was terminated on 3 February 2015.

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 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**

	Leasehold improvement AED	*Furniture and fixtures AED*	*Machinery and equipment AED*	*Motor vehicles AED*	*Total AED*
Cost:					
At 1 April 2014	26,800	760,039	710,151	286,203	1,783,193
Additions	8,340,176	2,092,600	10,908,777	154,800	21,496,353
Write off	(69,294)	(583,127)	(656,506)	(73,153)	(1,382,080)
At 31 March 2015	8,297,682	2,269,512	10,962,422	367,850	21,897,466
Depreciation:					
At 1 April 2014	23,284	352,767	649,302	61,709	1,087,062
Depreciation charge for the year	1,078,439	172,804	799,901	66,399	2,117,543
Relating to write off	(39,835)	(292,739)	(419,891)	(42,054)	(794,519)
At 31 March 2015	1,061,888	232,832	1,029,312	86,054	2,410,086
Net carrying amount:					
At 31 March 2015	7,235,794	2,036,680	9,933,110	281,796	19,487,380

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

	2016 AED	*2015 AED*
Direct costs (Note 6)	**3,758,416**	2,117,543

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2016 *AED*	*2015* *AED*
Due from related parties (Note 17)	**295,722,144**	295,722,144
Accounts receivable (net of provision)	**-**	424,197
Prepayments	**187,286**	468,287
Deposits	**679,974**	984,940
Advances to suppliers	**4,450**	4,530,688
Staff salary advance	**60,640**	542,206
Other receivables	**86,749**	45,773
	296,741,243	302,718,235

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

As at 31 March 2016, accounts receivable at nominal value of AED 7,380 (2015: 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*
2016	-	-	-	-	-	-	-
2015	424,197	-	-	79,150	159,044	119,653	66,350

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 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.

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:

	2016 *AED*	*2015* *AED*
Bank balances and cash	**173,848**	480,809

13 SHARE CAPITAL

	2016 *AED*	*2015* *AED*
Issued and fully paid:		
600,000,000 @ AED 1 each (2015: 600,000,000 shares @ AED 1 each)	**600,000,000**	600,000,000

14 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.

15 EMPLOYEES' END OF SERVICE BENEFITS

	2016 *AED*	*2015* *AED*
At the beginning of the year	**205,434**	208,751
Provision for the year	**420,142**	181,009
Paid during the year	**(279,567)**	(184,326)
Balance at 31 March	**346,009**	205,434

16 ACCOUNTS PAYABLE AND ACCRUALS

	2016 *AED*	*2015* *AED*
Trade payables	**12,320,341**	17,060,908
Due to related parties (Note 17b)	**26,286,027**	14,975,622
Accrued expenses	**1,004,753**	1,078,608
Directors fees payable (Note 17b)	**600,000**	600,000
Other payables	**1,335,412**	764,992
	41,546,533	34,480,130

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	2016 *AED*	*2015* *AED*
Directors fees	-	220,000

18 COMMITMENTS AND CONTINGENCIES

The Group has AED Nil capital commitments or contingent liabilities as of 31 March 2016 (31 March 2015: AED 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 2016, 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.

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**

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

At 31 March 2015

	Within 1 year AED	*Total AED*
Trade payables	17,060,908	17,060,908
Due to related parties	14,975,622	14,975,622
Other payables and accrued expenses	2,443,600	2,443,600
Total	34,480,130	34,480,130

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 accumulated losses, and is measured at AED 601,561,427 as at 31 March 2016 (2015: share capital, additional paid in capital, statutory reserve and retained earnings and was measured at AED 614,891,901).

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.

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 622,511,845 (31 March 2015: AED 622,936,042) and allowance for doubtful debts was AED 7,380 (31 March 2015: AED 7,380).

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 49,508 (2015: AED 101,340) with AED Nil provisions for obsolete inventories (2015: 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.

22 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the presentation adopted in these consolidated financial statements. In 2015 the Group classified AED 6,137,584 as part of the direct costs which was correctly classified as part of the administrative expenses in 2016. The reclassification did not have any impact on the equity of the Group as of 31 March 2015.

Consolidated statement of comprehensive income

	As Previously reported AED	*Classified* AED	*As reported* AED
Year ended 31 March 2015:			
Direct costs	**(23,216,049)**	**(6,137,584)**	**(17,078,465)**
Administrative expenses	**(7,859,855)**	**6,137,584**	**(13,997,439)**