

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

الفردوس
الفردوس القابضة ش.م.ع

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

المقر الرئيسي

DIRECTORS' REPORT

On the financial year ended on 31 March, 2019

The Directors present their report and consolidated financial statements for the year ended 31 March 2019.

RESULTS

During the year ended 31 March 2019, Al Firdous Holding P.J.S.C and its subsidiary (the "Group") earned total revenues of AED 2,419,381 (2018: AED 3,527,443). The net loss for the year amounted to AED 6,935,315 (2018: AED 8,798,949).

GOING CONCERN

The Group has incurred a loss of AED 6,935,315 for year ended 31 March 2019 (31 March 2018 loss of: AED 8,798,949) and has accumulated losses of AED 28,454,065 as at 31 March 2019 (31 March 2018 loss of: AED 21,518,750). 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

23 June 2019

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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INDEPENDENT AUDITOR'S REPORT

**The Shareholders
Al Firdous Holdings (P.J.S.C.)
And its subsidiary
Dubai – United Arab Emirates**

Report on 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 March 31, 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholder's 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 the opinion paragraph 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 7 to the consolidated financial statements, the amount of AED 326,789,701 (2018: 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 March 31, 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. The audit report on the consolidated financial statements for the year ended March 31, 2018 was also disclaimed in respect of this matter.

b) Advance against the purchase of property

As disclosed in note 8 to the consolidated financial statements, an amount of AED 289,939,984 (2018: 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 (2018: 289,939,984) by the assignment of properties has taken 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. The audit report on the consolidated financial statements for the year ended March 31, 2018 was also disclaimed in respect of this matter.

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the 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.

The 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 conduct our audit in accordance with International Standards on Auditing ("ISAs"). However, because of the matters described in the basis for disclaimer of the 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 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 Exhibit-C to the consolidated financial statements. As stated therein, the Group has incurred a loss of AED 6,935,315 for year ended March 31, 2019 (March 31, 2018 AED 8,798,949) and has accumulated losses of AED 28,454,065 as at March 31, 2019 (March 31, 2018 21,518,750). 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 year ended March 31, 2019 and have committed to do so in the foreseeable future.

INDEPENDENT AUDITOR'S REPORT (Continued)

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:

- 1) we have obtained all information we considered necessary for the purpose of our audit.
- 2) the financial statement 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.
- 3) the Group has maintained proper books of account.
- 4) the consolidated financial information included in the Directors' report is consistent with the books of account of the Group.
- 5) the Group has not purchased or invested in shares or stock during the year ended March 31, 2019.
- 6) note 7 reflects disclosures related to related party transactions and the terms under which they were conducted.
- 7) 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 March 31, 2019 any of the applicable provisions of 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 March 31, 2019.
- 8) based on the information provided to us, no social contributions were made during the year.



Hikmat Mukhaimer FCCA
Registration No. 355
Rödl Middle East
Certified Public Accountants



May 13, 2019
Dubai – U.A.E.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2019
"All amounts are in U.A.E. Dirham"

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Current assets			
Inventories		41,624	21,972
Accounts receivable		9,238	23,647
Other receivables	6	699,249	1,310,362
Receivable on sale of the investment portfolio	7	326,789,701	326,789,701
Due from related parties	8	295,879,508	295,879,508
Cash and cash equivalents	9	28,504	64,527
Total current assets		623,447,824	624,089,717
Non - Current assets			
Property, plant and equipment	10	8,586,715	12,254,543
Total non - current assets		8,586,715	12,254,543
Total assets		632,034,539	636,344,260
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		7,581,574	7,578,317
Other payables and provisions	11	3,889,158	3,813,550
Due to related parties	8	43,616,976	41,001,296
Total current liabilities		55,087,708	52,393,163
Non - current liabilities			
Provision for indemnity		299,636	368,587
Total non – current liabilities		299,636	368,587
Shareholders' 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)		(28,454,065)	(21,518,750)
Total shareholders' equity		576,647,195	583,582,510
Total liabilities and shareholders' equity		632,034,539	636,344,260



Shk. Khaled Bin Zayed Al Nahyan
Chairman

The accompanying notes are an integral part of these consolidated financial statements.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
DUBAI – UNITED ARAB EMIRATES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2019**
"All amounts are in U.A.E. Dirham"

	<u>Notes</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Revenues			
Sales		2,419,381	3,527,443
Cost of sales		(477,687)	(803,555)
Gross profit		1,941,694	2,723,888
Other operating expenses		(6,490,397)	(7,488,385)
Other income		-	14,903
Operating (loss)		(4,548,703)	(4,749,594)
Expenses and other charges			
General, administrative and selling expenses	14	(2,386,612)	(4,049,355)
Total expenses and other charges		(2,386,612)	(4,049,355)
Net (loss) for the year		(6,935,315)	(8,798,949)
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(6,935,315)	(8,798,949)
(Loss) per share	15	(0.0115)	(0.0146)

The accompanying notes are an integral part of these consolidated financial statements.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR
ENDED MARCH 31, 2019**

"All amounts are in U.A.E. Dirham"

	Share capital	Additional paid in capital	Statutory reserve	Accumulated (loss)	Total
Balance at March 31, 2017	600,000,000	894,645	4,206,615	(12,719,801)	592,381,459
Total comprehensive (loss) for the year	-	-	-	(8,798,949)	(8,798,949)
Balance at March 31, 2018	600,000,000	894,645	4,206,615	(21,518,750)	583,582,510
Total comprehensive (loss) for the year	-	-	-	(6,935,315)	(6,935,315)
Balance at March 31, 2019	600,000,000	894,645	4,206,615	(28,454,065)	576,647,195

The accompanying notes are an integral part of these consolidated financial statements.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019
"All amounts are in U.A.E. Dirham"

	March 31, 2019	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the year	(6,935,315)	(8,798,949)
Adjustment:		
Depreciation	3,667,828	3,659,526
Provision for indemnity	(68,951)	83,493
Net changes in working capital items	684,735	2,413,701
	(2,651,703)	(2,642,229)
Cash flows from investing activities		
Property, plant and equipment	-	(10,833)
	-	(10,833)
Cash flows from financing activities		
Related parties	2,615,680	2,619,097
	2,615,680	2,619,097
Net cash from financing activities		
Net (decrease) in cash and cash equivalents	(36,023)	(33,965)
Cash and cash equivalents at the beginning of the year	64,527	98,492
Cash and cash equivalents at the end of year	28,504	64,527

The accompanying notes are an integral part of these consolidated financial statements.

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

"All amounts are in U.A.E. Dirham unless otherwise stated"

1- COMPANY'S INFORMATION AND ACTIVITIES

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

Up to December 31, 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 (KSA) and involved in managing and operating hotels and restaurants in KSA and organizing Hajj and Umrah trips.

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

2- NEWLY EFFECTIVE STANDARD AND AMENDMENTS AND IMPROVEMENTS TO STANDARDS

The Company adopted IFRS 15 and IFRS 9 with effect from 1 January 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for period ended March 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

There is no impact of adopting IFRS 15 on statement of profit or loss/ basic and diluted earnings per share (EPS) and/or statement of financial position.

2.2 IFRS 9 "Financial instruments"

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(2)

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
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The Company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018 and adjusting the comparative information for the period beginning 1 January 2017.

There is no impact of transition to IFRS 9 on the opening balance of reserves and retained earnings (for a description of the transition method).

(A) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note (4-3).

(B) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

For trade and other receivables in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 April 2018 the impact is not material.

Receivables from government and Simi government entities are generally excluded from ECL calculation, as the Company considers those receivable balances are fully recoverable. Further, balances due from related parties, are also excluded from ECL calculation, as credit risk is considered to be nil based on the fact that these related companies are either directly or indirectly supported by the owners for any liquidity or financial crisis situations.

(C) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using the cumulative effect method. The Company has taken an exemption not to restate comparative information of prior periods.

Differences in the carrying amounts of the financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at 1 April 2018. Accordingly, the information presented for 2018 does not reflect the requirements of IFRS 9 but those of IAS 39.

The assessment has been made on the basis of the facts and circumstances that existed at the date of initial application. The adoption of the above amendments to standards had no significant impact on the financial statements.

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2.3 IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

3- NEW AND AMENDED STANDARDS NOT YET EFFECTIVE, BUT AVAILABLE FOR EARLY ADOPTION

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial year ending 31 March 2019 are not effective until a later period, and they have not been applied in preparing these financial statements.

(A) Adoption expected to impact the Company's financial statements:

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17. The Company is in the process of assessing the impact of IFRS 16 to its financial statements.

(4)

**AL FIRDOUS HOLDINGS (P.J.S.C.)
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(B) Adoption not expected to impact the Company's financial statements:

Effective date	Description
January 1, 2019	• IFRIC Interpretation 23 Uncertainty over Income Tax Treatment • Amendments to IFRS 9: Prepayment Features with Negative Compensation • Amendments to IAS 19: Plan Amendment, Curtailment or Settlement • Amendments to IAS 28: Long-term interests in associates and joint ventures • Annual Improvements 2015-2017 Cycle (issued in December 2017) - Amendments to IFRS 3 Business Combinations - Amendments to IFRS 11 Joint Arrangements - Amendments to IAS 12 Income Taxes - Amendments to IAS 23 Borrowing Costs
January 1, 2021	• IFRS 17 Insurance Contracts
Effective date to be determined	• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

4- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below:

4.1 Basis of preparation

The Consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standard Board (IASB) and U.A.E. Company Law.

4.2 Accounting convention

- These financial statements are prepared under the historical cost convention, adjusted through the revaluation of some assets according to fair value as explained in detail in the following accounting policies and disclosures.
- The accounting policies have been consistently applied during the year and consistent with those applied during previous year, except for the adoption of new and revised standards and interpretation as explained in note 2.

4.3 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.

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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 the non-controlling interests, even if this result 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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized 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%

**4.4 Financial instruments
Classification**

The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluate them every reporting date.

The Company has classified its financial instruments as follows:

Financial assets at fair value through statement of income

This category has two sub-categories financial assets held for trading and those designated at fair value through statement of income. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designed by management.

Trade and other Receivables

These are non-derivative financial assets with fixed or determinable amounts to be collected that are not quoted in an active market. They arise when the Company provides goods and services directly to a debtor with no intention of trading the receivables.

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"All amounts are in U.A.E. Dirham unless otherwise stated"

Assets available for sale

These are non-derivative financial assets that are either designated in this category or not included in any of the above categories and are principally, those acquired to be held, for an indefinite period of time which could be sold when liquidity is needed or upon changes in rates of profit.

Payables and accruals

These are non-derivative financial liabilities. Liabilities are recognized for amounts to be paid in the future for goods or services received/rendered, whether billed by the supplier or not.

Recognition and de-recognizing of financial instrument

A financial asset or a financial liability is recognized when the Company becomes a party to the contractual provisions of the instrument. Financial asset (in whole or in part) is derecognized when the contractual rights to the cash flows from the financial asset expire or when the Company transfers substantially all the risks and rewards of ownership or when the Company has neither transferred nor retained substantially all the risks and rewards of ownership and when it no longer has control over the asset or a proportion of the assets. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Measurement

Financial assets are initially recognized at fair value plus transaction cost for all financial assets not carried at fair value through statement of income. Financial assets carried at fair value through statement of income are initially recognized at fair value and transaction costs are expensed in the statement of income.

Subsequently, financial assets available for sale and at fair value through statement of income are carried at fair value and receivables and payables are carried at amortized cost using the effective yield method.

Realized and unrealized gains and losses arising from changes in the fair value of the financial assets at fair value through statement of income category are included in the statement of income for the period in which they arise. Changes in the fair value of financial assets classified as assets available for sale are recognized in equity, when available for sale financial assets are sold or impaired; the accumulated changes in fair value recognized in equity are included in the statement of income.

Fair values

The fair values of financial instruments traded in regular financial market are bases on last bid prices.

For other financial instruments that have no quoted market, the Company establishes a reasonable fair value estimates by reference to the current fair value of another instrument that is substantially the same, recent arm's length market transactions, using the expected discounted cash flow analysis, or other valuation methods. Assets available for sale whose fair value cannot be reliably measured are carried at cost less impairment losses, if any.

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Impairment of financial assets

The Company assesses at each financial position date whether there is objective evidence that a financial asset or a Company of financial assets is impaired. In the case of equity securities classified as available for sale, a significant decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the statement of income. Impairment losses recognized in the statement of income on equity instruments are not reversed through the statement of income.

A specific provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts of receivable. The amount of the specific provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, including amounts recoverable from guarantees and collateral, discounted at the effective rate of return. The amount of the provision is recognized in the statement of income.

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation on the straight-line is provided at the following annual rates to write-off the cost of each asset over its expected useful life, as follows:

- Leasehold improvement	5 years
- equipment and other assets	6-8 years
- Furniture and fixture	5-8 years

Gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying value of the assets, and is recognized in Income Statement for the financial year.

There is no significant change in any of accounting estimates during the year regarding property, plant and equipment.

4.6 Trade and other receivables

Receivables are carried at invoice value on transaction date less any estimate for doubtful receivable, based on the review of all outstanding amounts at period-end.

Bad debts are written off as and when identified.

4.7 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is based on weighted average method.

4.8 Trade and other payables

Liabilities for payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods received, whether or not billed to the branch.

4.9 Provisions for leave pay and indemnity

Provisions for leave pay and indemnity are computed in accordance with U.A.E. Labour Law No. 8 of 1980 and its amendments and as per the terms of employment contracts, and these provisions are not funded.

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4.10 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past event and the costs to settle the obligation are both probable and able to be reliably measured.

4.11 Revenues

Revenues are recognized to the extend, that it is probable that future economic benefits will flow to company and revenue can be measured reliably.

The basis of revenue recognition of the sales is as follows:

Sales: The revenue is recognized on invoiced value of goods sold less returns and trade discount

4.12 Foreign currencies

Transactions in foreign currencies are translated into U.A.E. Dhs. at rates of exchange prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated at exchange rates prevailing on that date. The exchange gains and losses, including foreign currency translation gains and losses are included in the Income Statement.

4.13 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances.

5- CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management best knowledge, the actual results may differ from those estimates.

6- OTHER RECEIVABLES

	March 31, 2019	March 31, 2018
Prepaid expenses	530,047	824,466
Advances to suppliers	4,337	92,270
Refundable deposits	160,015	311,600
Others	4,850	82,026
	699,249	1,310,362
	=====	=====

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7- RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on the sale of the 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 8).

With effect from January 1, 2009, the Company sold its 100% owner subsidiary (Al Firdous Group Co. Ltd for Hotels) and its Islamic financing and investing assets with Al Massa Co. for Urban Development Jeddah, KSA.

On 29 June 2009, the Group 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 interim condensed 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, the Group has not made any provision against this receivable.

8- RELATED PARTIES

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The parent company approves the terms and conditions of related parties' transactions. The amount due from / to related parties does not attract interest although there are no defined repayment arrangements.

The transactions between affiliates represent financial transaction.

a) The balances due from related parties are as follows: -

	March 31, 2019	March 31, 2018
Advance against purchase of property – Entity under common control	289,939,984	289,939,984
Due from Bin Zayed Group – Entity under common control	5,782,160	5,782,160
Others	157,364	157,364
	295,879,508	295,879,508
	=====	=====

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

For the year ended March 31, 2019, the Group has not recorded any impairment of amounts owed by related parties (31 March 2018: AED NIL).

The amount receivable on sale of the Investment Portfolio (Note 7) 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 balance due from related parties amounting to AED 295,879,508 (31 March 2018: AED 295,879,508) by the assignment of properties to the Group with fair value not less than an equivalent amount.

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

	March 31, 2019	March 31, 2018
Other related parties	43,616,976	41,001,296
	=====	=====
Directors' fee payable	600,000	600,000
	=====	=====

9- CASH AND CASH EQUIVALENTS

	March 31, 2019	March 31, 2018
Cash on hand	9,312	22,922
Cash at banks – current accounts	19,192	41,605
	-----	-----
	28,504	64,527
	=====	=====

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10- PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement	Equipment and other assets	Furniture and fixture	Total
Cost:				
Balance at March 31, 2018	12,828,779	10,097,496	2,766,269	25,692,544
Balance at March 31, 2019	12,828,779	10,097,496	2,766,269	25,692,544
Depreciation:				
Balance at March 31, 2018	7,152,881	4,473,329	1,811,791	13,438,001
Depreciation for the year	2,161,158	903,247	603,423	3,667,828
Balance at March 31, 2019	9,314,039	5,376,576	2,415,214	17,105,829
Net book values:				
Balance at March 31, 2019	3,514,740	4,720,920	351,055	8,586,715
Balance at March 31, 2018	5,675,898	5,624,167	954,478	12,254,543

11- OTHER PAYABLES AND PROVISIONS

	March 31, 2019	March 31, 2018
Accrued expenses	1,083,050	968,859
Directors' fee payable	600,000	600,000
Others	2,206,108	2,244,691
	3,889,158	3,813,550

12- SHARE CAPITAL

The issued and fully paid up capital of the Company is AED 600,000,000 comprising of 600,000,000 No. of shares of AED 1 each.

13- STATUTORY RESERVE

As required by the company law of United Arab Emirates, 10% of the profit for the year is to be transferred to statutory reserve. The shareholders may resolve to discontinue such annual transfers as reserve equals one half of the share capital. The reserve is not available for distribution.

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14- GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

	March 31, 2019	March 31, 2018
Salaries and related benefits	984,060	1,658,622
Rent	732,035	1,618,566
Other	670,517	772,167
	2,386,612	4,049,355

15- (LOSS) PER SHARE

	March 31, 2019	March 31, 2018
(Loss) for the year	(6,935,315)	(8,798,949)
Weighted average number of ordinary shares for purposes of basic earnings	600,000,000	600,000,000
(Loss) per share	(0.0115)	(0.0146)

16- STAFF COST

	March 31, 2019	March 31, 2018
Number of staff at year end	58	64
Salaries and related cost (General)	557,569	967,485
Leave and gratuity	59,830	136,710
Other	366,661	554,427
	984,060	1,658,622

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17- FINANCIAL INSTRUMENTS

17.1 CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments represent financial assets & liabilities. Financial assets include cash and cash equivalent, accounts receivable and other debts balances, investments available for sale and investment in associate. The financial liabilities include due to banks and accounts payable other credit balances.

17.2 Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in force or liquidation sale. The company used recognized assumptions and methods to estimate the fair value of the financial instruments. The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of other financial assets and financial liabilities with standard terms and conditions and trade on active liquid markets is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar financial instruments.
- The fair values of financial instruments carried at amortized cost are not significantly different from their carrying values.

18- FINANCIAL RISK MANAGEMENT

The company's use of financial instruments exposes it to financial risks such as credit risk, market risk, liquidity risk.

The company continuously reviews its risk exposures and takes the necessary procedures to limit these risks at acceptable levels.

The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risks, credit risk and investment of excess liquidity.

The significant risks that the company is exposed to are as follows:

18.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to pay an obligation causing the other party to incur a financial loss. Financial assets, which potentially subject the company to credit risk, consist principally of accounts receivables. Credit risk with respect to receivables is limited due to dealing with governmental bodies and credible corporates.

The credit risk of trade receivables is limited due to large customers' size of company and no existence of relation between them.

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18.2 Liquidity risks

Liquidity risks is the risk that the company will be unable to meet its cash obligations. The management of liquidity risks consist of keeping sufficient cash, and arranging financing sources through enough facilities, managing highly liquid assets, and monitoring liquidity on a yearly basis by method of future cash flow.

The maturity of liabilities stated below based on the year from the balance sheet date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time year in which the asset will be collected or disposed and the liability settled.

The following is maturity table for the financial liabilities as at March 31, 2019:

	Within 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
Liabilities					
Accounts payable	-	7,581,574	-	-	7,581,574
Other payables and provision	-	3,889,158	-	-	3,889,158
Due to related parties	-	43,616,976	-	-	43,616,976
Provision for indemnity	-	-	299,636	-	299,636
Total liabilities	-	55,087,708	299,636	-	55,387,344

The following is maturity table for the financial liabilities as at March 31, 2018:

	Within 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
Liabilities					
Accounts payable	-	7,578,317	-	-	7,578,317
Other payables and provision	-	3,813,550	-	-	3,813,550
Due to related parties	-	41,001,296	-	-	41,001,296
Provision for indemnity	-	-	368,587	-	368,587
Total liabilities	-	52,393,163	368,587	-	52,761,750

18.3 Market risks

Market risk, comprise of price risk, interest rate risk and currency risk. These risks arise due to change in market prices, interest rates and foreign currency rates.

- Foreign currencies risks**

Foreign currencies risks arise from transactions with foreign currencies. The company manages these risks by setting limits on transaction with other foreign currencies and counterparty and limiting its transaction business in major currencies with reputable counterparties.

- Cash flow and fair value interest rate risks**

As the company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially not affected by the changes in market interest rates.

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19- CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are:

- To safeguard the company's ability to continue as a going concern to be able to provide returns for shareholders and benefits for other beneficiaries, and,
- To maintain an optimal returns to owner by pricing its products and services commensurately with risk level

The company determines share capital that is adequate for risks and manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics related to assets. In order to maintain or adjust the capital structure, the company may adjust the amount of profits paid to partners or sell assets to reduce debt.

Consistently with other companies in the same field the company monitors capital on the basis of ratio debt to adjusted capital ratio. This ratio is calculated as net debt divided by total adjusted capital. Net debt calculated as total debts including borrowings, bank facilities and non operational debts less cash and cash equivalent. Total adjusted capital comprises all components of shareholders equity (share capital reserves) and subordinated loans.

No debts, so no gearing ratio.

20- GENERAL ASSEMBLY OF SHAREHOLDERS

The ordinary general assembly of shareholders was held on May 14, 2018 who approved the financial statements for the year ended March 31, 2018.

21- APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorize for issuance on June 23, 2019.