Rödl
Middle East

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

CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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AL FIRDOUS HOLDINGS (P.J.S.C.)
AND IT'S SUBSIDIARY
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Contents

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, 2020, 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 descried 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 5 to the consolidated financial statements, the amount of AED 326,789,701 (2019: 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, 2019 was also disclaimed in respect of this matter.

b) Advance against the purchase of property

As disclosed in note 6 to the consolidated financial statements, an amount of AED 289,939,984 (2019: 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 (2019: 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, 2019 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 previous 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 conducted our audit in accordance with International Standards on Auditing ("ISAs"). However, because of the matters descried 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 7,658,749 for year ended March 31, 2020 (March 31, 2019 AED 6,935,315) and has accumulated losses of AED 36,112,814 as at March 31, 2020 (March 31, 2019 28,454,065). 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, 2020 and has 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, 2020.

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, 2020 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, 2020.

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

رودل الشرق الاوسط
ا.ع.م.
U.A.E.
Rödl Middle East

June 21, 2020
Dubai – U.A.E.

Rödl Middle East Zalfa Building, Office M05B, Garhoud Street, Al Garhoud
PO Box 111284 Dubai, United Arab Emirates **T** +971 [4] 286-5864 **F** +971 [4] 286-8248 info@rodlme.com www.rodlme.com

Exhibit-A

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2020
"All amounts are in U.A.E. Dirham"

	Notes	**March 31, 2020**	March 31, 2019
ASSETS			
Current assets			
Inventories		**-**	41,624
Accounts receivable		**100**	9,238
Other receivables	4	**387,118**	699,249
Receivable on sale of the investment portfolio	5	**326,789,701**	326,789,701
Due from related parties	6	**295,722,144**	295,879,508
Cash and cash equivalents	7	**1,043**	28,504
Total current assets		**622,900,106**	623,447,824
Non - Current assets			
Property, plant and equipment	8	**4,224,532**	8,586,715
Total non - current assets		**4,224,532**	8,586,715
Total assets		**627,124,638**	632,034,539
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable		**7,948,817**	7,581,574
Other payables and provisions	9	**4,545,451**	3,889,158
Due to related parties	6	**45,516,523**	43,616,976
Total current liabilities		**58,010,791**	55,087,708
Non - current liabilities			
Provision for indemnity		**125,401**	299,636
Total non – current liabilities		**125,401**	299,636
Shareholders' equity			
Share capital	10	**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve	11	**4,206,615**	4,206,615
Accumulated (losses)		**(36,112,814)**	(28,454,065)
Total shareholders' equity		**568,988,446**	576,647,195
Total liabilities and shareholders' equity		**627,124,638**	632,034,539

These financial statements were approved by the board of directors on June 23, 2020 and signed on their behalf by:

Shk. Khaled Bin Zayed Al Nahyan
Chairman

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

Exhibit-B

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, 2020
"All amounts are in U.A.E. Dirham"

	Notes	**March 31, 2020**	March 31, 2019
Revenues			
Sales		**824,308**	2,419,381
Cost of sales		**(252,596)**	(477,687)
Gross profit		**571,712**	1,941,694
Other operating expenses		**(6,318,714)**	(6,490,397)
Other income		**86,000**	-
Operating (loss)		**(5,661,002)**	(4,548,703)
Expenses and other charges			
General, administrative and selling expenses	12	**(1,997,747)**	(2,386,612)
Total expenses and other charges		**(1,997,747)**	(2,386,612)
Net (loss) for the year		**(7,658,749)**	(6,935,315)
Other comprehensive income for the year		**-**	-
Total comprehensive (loss) for the year		**(7,658,749)**	(6,935,315)
(Loss) per share	13	**(0.0127)**	(0.0115)

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

Exhibit-C

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED MARCH 31, 2020
"All amounts are in U.A.E. Dirham"

	Share capital	Additional paid in capital	Statutory reserve	Accumulated (loss)	Total
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
Total comprehensive (loss) for the year	-	-	-	(7,658,749)	(7,658,749)
Balance at March 31, 2020	**600,000,000**	**894,645**	**4,206,615**	**(36,112,814)**	**568,988,446**

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

Exhibit-D

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020
"All amounts are in U.A.E. Dirham"

	March 31, 2020	March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the year	**(7,658,749)**	(6,935,315)
Adjustment:		
Depreciation	**4,362,183**	3,667,828
Provision for indemnity	**(174,235)**	(68,951)
Net changes in working capital items	**1,386,429**	684,735
Net cash (used in) operating activities	**(2,084,372)**	(2,651,703)
Cash flows from financing activities		
Related parties	**2,056,911**	2,615,680
Net cash from financing activities	**2,056,911**	2,615,680
Net (decrease) in cash and cash equivalents	**(27,461)**	(36,023)
Cash and cash equivalents at the beginning of the year	**28,504**	64,527
Cash and cash equivalents at the end of year	**1,043**	28,504

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

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.

The management has decided to stop the restaurant business operations from November 6, 2019 by passing a resolution in its board acting to stop losses from that operation.

2- BASIS OF PREPARATION

a) Statement of compliance

The 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 (IFRIC) and U.A.E. Company Law.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention.

c) Functional and presentation currency

These financial statements are presented in UAE Dirhams, which is the Company's functional currency.

d) Use of estimates and judgments

In preparing these financial statements, management has made estimates and judgment that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements are as follows:

Going concern
Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Company had positive net asset (equity), working capital and cash flow positions as at the year end. Furthermore, the major shareholder has continued the financial support during the year and has committed to do so in the foreseeable future. Therefore, the financial statements continue to be prepared on a going concern basis.

Depreciation of property and equipment
Items of property and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, and technological or commercial obsolescence, and impacts the annual depreciation charge recognized in profit or loss. Management reviews annually the residual values and useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives and / or the residual values differ from previous estimates. No such adjustments were considered necessary at the end of the current year or the comparative year.

Impairment of property and equipment
The carrying amounts of the Company's property and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets.

Provision for expected credit losses of trade receivables and contract assets
The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Receivables from 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.

Provision for employees' end of service benefits
Management has measured the Company's obligation for the post-employment benefits of its employees based on the provisions of the UAE Labour Law. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

2.1 Newly effective standard and amendments and improvements to standards
The new International Financial Reporting Standard ("IFRS" or "standard") No. 16 has become effective with effect from 1 January 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments and interpretations apply for the first time from 1 January 2019, 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.

1) 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 recognise 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 recognise 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 recognise 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.

2) Other amendments to Standards

The following interpretation and amendments to standards have also been applied by the Company in preparation of these financial statements.

- 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

The adoption of the above did not result in any changes to previously reported net profit or net assets of the Company.

2.2 New and amended standards not yet effective, but available for early adoption

The below new and amended IFRS that are available for early adoption for financial year ended 31 December 2019 are not effective until a later period, and they have not been applied in preparing these financial statements.

Adoption not expected to impact the Company's financial statements

Effective date	Description
January 1, 2020	• Amendments to IFRS 3 ''Business Combinations'' • Amendments to References to the Conceptual Framework in IFRS Standards • Amendments to IAS 1 and IAS 8 on 'Definition of Material'
January 1, 2022	• 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

3- SIGNIFICANT ACCOUNTING POLICIES

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

3.1 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.

3.2 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.

3.3 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.

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 polices into line with the Group's accounting polices. 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%

3.4 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.

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.

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.

3.5 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.

3.6 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.

3.7 Inventories

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

3.8 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.

3.9 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.

3.10 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.

3.11 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

3.12 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.

3.13 Cash and cash equivalents

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

4- OTHER RECEIVABLES

	March 31, 2020	March 31, 2019
Prepaid expenses	**48,832**	530,047
Advances to suppliers	**4,337**	4,337
Refundable deposits	**160,015**	160,015
Others	**173,934**	4,850
	387,118	699,249

5- 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 6).

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.

6- 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, 2020	March 31, 2019
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
	295,722,144	295,879,508

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, 2020, the Group has not recorded any impairment of amounts owed by related parties (31 March 2019: AED NIL).

The amount receivable on sale of the Investment Portfolio (Note 5) 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 295,722,144 (31 March 2019: 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, 2020	March 31, 2019
Other related parties	**45,516,523**	43,616,976
Directors' fee payable	**600,000**	600,000

7- CASH AND CASH EQUIVALENTS

	March 31, 2020	March 31, 2019
Cash on hand	**1,043**	9,312
Cash at banks – current accounts	**-**	19,192
	1,043	28,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
"All amounts are in U.A.E. Dirham unless otherwise stated"

8- PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement	Equipment and other assets	Furniture and fixture	Total
Cost:				
Balance at March 31, 2019	12,828,779	10,097,496	2,766,269	25,692,544
Disposal during the year	-	(86,000)	-	(86,000)
Balance at March 31, 2020	**12,828,779**	**10,011,496**	**2,766,269**	**25,606,544**
Depreciation:				
Balance at March 31, 2019	9,314,039	5,376,576	2,415,214	17,105,829
Depreciation for the year	2,445,675	1,565,453	351,055	4,362,183
Disposal during the year	-	(86,000)	-	(86,000)
Balance at March 31, 2020	**11,759,714**	**6,856,029**	**2,766,269**	**21,382,012**
Net book values:				
Balance at March 31, 2020	**1,069,065**	**3,155,467**	**-**	**4,224,532**
Balance at March 31, 2019	3,514,740	4,720,920	351,055	8,586,715

9- OTHER PAYABLES AND PROVISIONS

	March 31, 2020	March 31, 2019
Accrued expenses	**1,730,859**	1,083,050
Directors' fee payable	**600,000**	600,000
Others	**2,214,592**	2,206,108
	4,545,451	3,889,158

10- 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.

11- 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.

12- GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

	March 31, 2020	March 31, 2019
Salaries and related benefits	**803,926**	984,060
Rent	**732,035**	732,035
Others	**461,786**	670,517
	1,997,747	2,386,612

13- (LOSS) PER SHARE

	March 31, 2020	March 31, 2019
(Loss) for the year	**(7,658,749)**	(6,935,315)
Weighted average number of ordinary shares for purposes of basic earnings	**600,000,000**	600,000,000
(Loss) per share	**(0.0127)**	(0.0115)

14- STAFF COST

	March 31, 2020	March 31, 2019
Number of staff at year end	**1**	55
Salaries and related cost (General)	**409,035**	557,569
Leave and gratuity	**42,672**	59,830
Others	**352,219**	366,661
	803,926	984,060

15- FINANCIAL INSTRUMENTS

15.1 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.

15.2 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.

16- 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:

16.1 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.

16.2 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, 2020:

	Within 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
Liabilities					
Accounts payable	-	7,948,817	-	-	7,948,817
Other payables and provision	-	4,545,451	-	-	4,545,451
Due to related parties	-	45,516,523	-	-	45,516,523
Provision for indemnity	-	-	125,401	-	125,401
Total liabilities	**-**	**58,010,791**	**125,401**	**-**	**58,136,192**

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**

16.3 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.

17- 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.

18- GENERAL ASSEMBLY OF SHAREHOLDERS

The ordinary general assembly of shareholders was held on July 18, 2019 who approved the financial statements for the year ended March 31, 2019.

19- APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on June 23, 2020.