

Al Firdous Holdings (P.J.S.C.)

FINANCIAL STATEMENTS

31 MARCH 2012

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Al Firdous Holdings (P.J.S.C.) (the "Company"), which comprise the statement of financial position as at 31 March 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

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

Auditors' responsibility

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

Basis for Disclaimer of Opinion

a) Receivable on sale of the investment portfolio

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

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

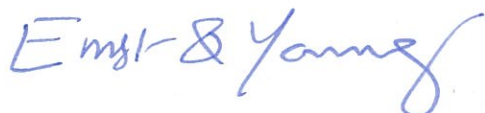
Basis for Disclaimer of Opinion (continued)

b) Advance against the purchase of property

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

Disclaimer of Opinion

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

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young
Signed by
Ashraf Abu Sharkh
Partner
Registration No. 690
26 June 2012

Dubai, United Arab Emirates

Al Firdous Holdings (P.J.S.C.)

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2012

	<i>Notes</i>	<i>2012 AED</i>	<i>2011 AED</i>
Revenue	5	12,042,900	7,988,452
Direct costs	6	(5,652,639)	(3,425,928)
GROSS PROFIT		6,390,261	4,562,524
Income on deposits		83,744	60,466
Other income		422,856	67,731
Administrative expenses	7	(2,108,020)	(1,098,347)
Share of revenue to property owner	8&17	(2,255,782)	(927,483)
PROFIT FOR THE YEAR		2,533,059	2,664,891
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,533,059	2,664,891
Basic and diluted earnings per share	4	0.00376	0.00444

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

Al Firdous Holdings (P.J.S.C.)
STATEMENT OF FINANCIAL POSITION
At 31 March 2012

	<i>Notes</i>	2012 AED	2011 AED
ASSETS			
Non-current assets			
Property, plant and equipment	9	<u>623,254</u>	<u>217,038</u>
Current assets			
Accounts receivable and prepayments	10	297,048,269	296,817,810
Receivable on sale of the investment portfolio	11	326,789,701	326,789,701
Bank balances and cash	12	<u>9,843,173</u>	<u>5,376,505</u>
		<u>633,681,143</u>	<u>628,984,016</u>
TOTAL ASSETS		<u>634,304,397</u>	<u>629,201,054</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve	14	3,955,357	3,702,051
Retained earnings		<u>24,024,092</u>	<u>22,024,339</u>
Total equity		<u>628,874,094</u>	<u>626,621,035</u>
Non-current liabilities			
Employees' end of service benefits	15	<u>87,334</u>	<u>29,710</u>
Current liabilities			
Accounts payable and accruals	16	<u>5,342,969</u>	<u>2,550,309</u>
Total liabilities		<u>5,430,303</u>	<u>2,580,019</u>
TOTAL EQUITY AND LIABILITIES		<u>634,304,397</u>	<u>629,201,054</u>


Shk. Khaled Bin Zayed Al Nahyan
Chairman
26 June 2012


Mr. Sherif El-Talawy
Chief Financial Officer
26 June 2012

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

Al Firdous Holdings (P.J.S.C.)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2012

	<i>Share capital AED</i>	<i>Additional paid in capital AED</i>	<i>Statutory reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 April 2010	600,000,000	894,645	3,435,562	19,625,937	623,956,144
Total income and comprehensive income for the year	-	-	-	2,664,891	2,664,891
Transfer to statutory reserve	-	-	266,489	(266,489)	-
Balance at 31 March 2011	600,000,000	894,645	3,702,051	22,024,339	626,621,035
Total income and comprehensive income for the year	-	-	-	2,533,059	2,533,059
Directors' fees (Note 17)	-	-	-	(280,000)	(280,000)
Transfer to statutory reserve	-	-	253,306	(253,306)	-
Balance at 31 March 2012	<u>600,000,000</u>	<u>894,645</u>	<u>3,955,357</u>	<u>24,024,092</u>	<u>628,874,094</u>

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

Al Firdous Holdings (P.J.S.C.)

STATEMENT OF CASH FLOWS

Year ended 31 March 2012

	<i>Notes</i>	2012 AED	2011 AED
OPERATING ACTIVITIES			
Profit for the year		2,533,059	2,664,891
Non-cash adjustments to reconcile loss to net cash flows:			
Depreciation	9	151,086	31,545
Provision for employees' end of service benefits	15	66,704	9,274
Income from deposits		(83,744)	(60,466)
		<u>2,667,105</u>	<u>2,645,244</u>
Working capital changes:			
Accounts receivable and prepayments		(230,459)	(1,049,755)
Accounts payable and accruals		<u>2,512,660</u>	<u>2,083,533</u>
		<u>4,949,306</u>	<u>3,679,022</u>
Employees' end of service benefits paid	15	(9,080)	(42,914)
Net cash from operating activities		<u>4,940,226</u>	<u>3,636,108</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(557,302)	(232,102)
Income from deposits		<u>83,744</u>	<u>60,466</u>
Net cash used in investing activities		<u>(473,558)</u>	<u>(171,636)</u>
INCREASE IN CASH AND CASH EQUIVALENTS			
		<u>4,466,668</u>	<u>3,464,472</u>
Cash and cash equivalents at the beginning of the year		<u>5,376,505</u>	<u>1,912,033</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	<u><u>9,843,173</u></u>	<u><u>5,376,505</u></u>

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

Al Firdous Holdings (P.J.S.C.)

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2012

1 ACTIVITIES

Al Firdous Holdings (P.J.S.C.) [formerly Manasek (P.J.S.C.)] (the "Company") is a public joint stock company registered on 1 July 1998 in the Emirate of Dubai, United Arab Emirates, according to Ministerial Decree Number 106 for the year 1998, and which commenced its operations on 22 October 1998. The address of the Company's registered office is P.O. Box 25233, Dubai, United Arab Emirates. On 13 September 2007, the Company secured approval from the Ministry of Economy to change its name from "Manasek (P.J.S.C.)" to "Al Firdous Holdings (P.J.S.C.)."

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

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

With effect from 1 July 2010, the Company signed a memorandum of understanding with Gulf Oasis Reality, a related party, to manage, operate and maintain the Oasis Court Hotel Apartments located in Bur Dubai, Emirate of Dubai. According to the renewed memorandum of understanding dated 1 January 2012, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 30% of the total room revenue (Note 8).

2 FUNDAMENTAL ACCOUNTING CONCEPT

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These financial statements are prepared under the historical cost convention.

The financial statements have been presented in United Arab Emirates Dirhams (AED), which is the functional and presentation currency of the Company.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and applicable requirements of United Arab Emirates laws.

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended IFRS and IFRIC interpretations as of 1 April 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011
- Improvements to IFRSs (May 2010)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

The adoption of the standards or interpretations is described below:

IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Company.

IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Company because the Company does not have these type of instruments.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as a pension asset. The Company is not subject to minimum funding requirements in United Arab Emirates, therefore this amendment has no effect on the financial position nor performance of the Company.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Company.

- IFRS 7 Financial Instruments - Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Company:

- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Company's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Revenues represent the invoiced value of services provided and food and beverage sold by the hotel apartments during the year.

Profit on deposits is recognised as the profit accrues.

Property, plant and equipment

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of income. The recoverable amount is the higher of fair value less costs to sell property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction less costs to complete the sale, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

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

Cash and cash equivalents

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

Impairment and uncollectibility of financial assets

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Employees' end of service benefits

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

Accounts payable and accruals

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

Provisions

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

Operating leases

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

Foreign currencies

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

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year of AED 2,253,059 net of Directors' fees of AED 280,000 (31 March 2011: AED 2,664,891 net of Directors' fees of AED Nil) by the weighted average number of shares outstanding of 600,000,000 shares (31 March 2011: 600,000,000 shares) of AED 1 each outstanding during the year.

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

Al Firdous Holdings (P.J.S.C.)

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2012

5 REVENUE

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Hotel Services	9,753,914	6,693,089
Food and Beverages	658,973	193,491
Others	1,630,013	1,101,872
	<u>12,042,900</u>	<u>7,988,452</u>

6 DIRECT COSTS

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Room operation cost	2,679,990	2,185,212
Salaries and benefits	2,190,318	739,728
Cost of food and beverages	487,032	266,654
Depreciation (Note 9)	138,784	27,360
Others	156,515	206,974
	<u>5,652,639</u>	<u>3,425,928</u>

7 ADMINISTRATIVE EXPENSES

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Salaries and benefits	1,686,280	841,423
Governmental expenses	57,417	15,375
Professional fees	112,500	112,500
Marketing expenses	54,796	93,957
Annual general meeting expenses	130,813	-
Depreciation (Note 9)	12,302	4,185
Others	53,912	30,907
	<u>2,108,020</u>	<u>1,098,347</u>

8 SHARE OF REVENUE TO PROPERTY OWNER

This represents 20-30% of total room revenues payable to the owner of Gulf Oasis Reality (2011: 10-20% of total room revenues).

Al Firdous Holdings (P.J.S.C.)

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2012

9 PROPERTY, PLANT AND EQUIPMENT

	<i>Leasehold improvement AED</i>	<i>Furniture and fixtures AED</i>	<i>Machinery and equipment AED</i>	<i>Motor vehicles AED</i>	<i>Total AED</i>
Cost:					
At 1 April 2011	26,800	219,628	199,560	78,652	524,640
Additions	-	425,248	132,054	-	557,302
At 31 March 2012	<u>26,800</u>	<u>644,876</u>	<u>331,614</u>	<u>78,652</u>	<u>1,081,942</u>
Depreciation:					
At 1 April 2011	3,537	129,501	159,059	15,505	307,602
Depreciation charge for the year	9,360	66,853	57,720	17,153	151,086
At 31 March 2012	<u>12,897</u>	<u>196,354</u>	<u>216,779</u>	<u>32,658</u>	<u>458,688</u>
Net carrying amount: At 31 March 2012	<u>13,903</u>	<u>448,522</u>	<u>114,835</u>	<u>45,994</u>	<u>623,254</u>

	<i>Leasehold improvement AED</i>	<i>Furniture and fixtures AED</i>	<i>Machinery and equipment AED</i>	<i>Motor vehicles AED</i>	<i>Total AED</i>
Cost:					
At 1 April 2010	-	134,218	152,820	5,500	292,538
Additions	26,800	85,410	46,740	73,152	232,102
At 31 March 2011	<u>26,800</u>	<u>219,628</u>	<u>199,560</u>	<u>78,652</u>	<u>524,640</u>
Depreciation:					
At 1 April 2010	-	117,739	152,819	5,499	276,057
Depreciation charge for the year	3,537	11,762	6,240	10,006	31,545
At 31 March 2011	<u>3,537</u>	<u>129,501</u>	<u>159,059</u>	<u>15,505</u>	<u>307,602</u>
Net carrying amount: At 31 March 2011	<u>23,263</u>	<u>90,127</u>	<u>40,501</u>	<u>63,147</u>	<u>217,038</u>

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

	<i>2012 AED</i>	<i>2011 AED</i>
Cost of sales (Note 6)	138,784	27,360
General and administrative expenses (Note 7)	12,302	4,185
	<u>151,086</u>	<u>31,545</u>

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2012

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2012 AED	2011 AED
Due from related parties (Note 17)	295,722,144	295,722,144
Accounts receivable	833,489	764,916
Prepayments	190,026	100,325
Deposits	219,000	166,870
Other receivables	83,610	63,555
	<u>297,048,269</u>	<u>296,817,810</u>

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

As at 31 March 2012, accounts receivable at nominal value of AED Nil (2011: AED Nil) were impaired.

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

	Total AED	Neither past due nor impaired AED	Past due but not impaired				
			<30 days AED	30-60 days AED	60-90 days AED	90-120 days AED	>120 days AED
2012	833,489	650,581	-	182,908	-	-	-
2011	764,916	240,165	-	524,751	-	-	-

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

11 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

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

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

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

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

Al Firdous Holdings (P.J.S.C.)

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2012

12 CASH AND CASH EQUIVALENTS

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

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Bank balances and cash	1,293,173	626,505
Short term deposits	8,550,000	4,750,000
	<u>9,843,173</u>	<u>5,376,505</u>

The short term deposit is denominated in AED and carries an effective profit rate of 1.9% p.a. (2011: 3.5% p.a.).

13 SHARE CAPITAL

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
<i>Issued and fully paid:</i>		
600,000,000 shares @ AED 1 each		
(2011: 600,000,000 shares @ AED 1 each)	<u>600,000,000</u>	<u>600,000,000</u>

14 STATUTORY RESERVE

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

15 EMPLOYEES' END OF SERVICE BENEFITS

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
At the beginning of the year	29,710	63,350
Provision for the year	66,704	9,274
Paid during the year	(9,080)	(42,914)
	<u>87,334</u>	<u>29,710</u>
Balance at 31 March		

Al Firdous Holdings (P.J.S.C.)
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2012

16 ACCOUNTS PAYABLE AND ACCRUALS

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Trade payables	434,857	647,130
Due to related parties (Note 17)	3,722,306	1,066,921
Accrued expenses	722,115	721,707
Directors fees payable (Note 17)	280,000	-
Other payables	183,691	114,551
	<u>5,342,969</u>	<u>2,550,309</u>

17 RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Due from Bin Zayed Group	5,782,160	5,782,160
Advance against purchase of property	289,939,984	289,939,984
	<u>295,722,144</u>	<u>295,722,144</u>

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

For the year ended 31 March 2012, the Company has not recorded any impairment of amounts owed by related party (31 March 2011: AED Nil).

The amount receivable on sale of the investment portfolio has been guaranteed by Bin Zayed Group, a related party. The security provided by Bin Zayed Group against the amount receivable on sale of the investment portfolio is a plot of land located in Dubai, United Arab Emirates which was appraised by an independent property consultant at AED 640,000,000 as of 31 October 2008. Bin Zayed Group has also undertaken to secure the amount of AED 295,722,144 by the assignment of properties to the Company with a fair value not less than the same amount.

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

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Other related parties	<u>3,722,306</u>	<u>1,066,921</u>

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

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Share of revenue to property owner	<u>2,255,782</u>	<u>927,483</u>

17 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	<i>2012</i> <i>AED</i>	<i>2011</i> <i>AED</i>
Directors fees	<u>280,000</u>	<u>-</u>

18 COMMITMENTS

The Company has no future obligations or commitments as of 31 March 2012 (31 March 2011: Nil)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Profit rate risk

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

As of 31 March 2012, the Company is not exposed to any significant profit rate risk as the Company has no liabilities that carry profit and the fixed deposits with the bank earn a fixed rate of profit throughout the year.

Liquidity risk

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

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

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

At 31 March 2012

	<i>Within 1 year AED</i>	<i>Total AED</i>
Accounts payable	434,857	434,857
Due to related parties	3,722,306	3,722,306
Other payables and accrued expenses	1,185,806	1,185,806
Total	<u>5,342,969</u>	<u>5,342,969</u>

Al Firdous Holdings (P.J.S.C.)
NOTES TO THE FINANCIAL STATEMENTS
At 31 March 2012

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)
At 31 March 2011

	<i>Within 1 year AED</i>	<i>Total AED</i>
Accounts payable	647,130	647,130
Due to related parties	1,066,921	1,066,921
Other payables and accrued expenses	836,258	836,258
Total	2,550,309	2,550,309

Credit risk

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

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

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

Currency risk

The Company is not exposed to any significant currency risk.

Capital Management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Capital comprises share capital, additional paid in capital, statutory reserve and retained earnings, and is measured at AED 628,874,094 as at 31 March 2012 (2011: AED 626,621,035).

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

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

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

21 KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

21 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of accounts receivable

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

At the statement of financial position date, gross accounts receivable including the receivable on sale of the investment portfolio and due from related party were AED 623,345,334 (31 March 2011: AED 623,276,761) and allowance for doubtful debts was AED Nil (31 March 2011: AED Nil).

Useful lives and depreciation of property, plant and equipment

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