Al Firdous Holdings (P.J.S.C.)
[formerly Manasek (P.J.S.C.)]

FINANCIAL STATEMENTS

31 MARCH 2010

ERNST & YOUNG

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

Report on the Financial Statements

We have audited the accompanying financial statements of Al Firdous Holdings (P.J.S.C.), which comprise the statement of financial position as at 31 March 2010 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 Al Firdous Holdings (P.J.S.C.) and the UAE Commercial Companies Law of 1984 (as amended). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ERNST & YOUNG

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements
We also confirm that, in our opinion, the financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended), and the articles of association of Al Firdous Holdings (P.J.S.C.); proper books of account have been kept by Al Firdous Holdings (P.J.S.C.), and the contents of the report of the Board of Directors relating to these financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the articles of association of Al Firdous Holdings (P.J.S.C.) have occurred during the year which would have had a material effect on the business of Al Firdous Holdings (P.J.S.C.) or on its financial position.

Ernst & Young

Ernst & Young

Signed by
Naushad Anwar
Partner
Registration No. 489
29 June 2010

Dubai, United Arab Emirates

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2010

	Notes	2010 AED	2009 AED
Revenue	5	**524,860**	1,721,412
Direct costs	6	**(406,590)**	(1,608,767)
Gross profit		**118,270**	112,645
Income on deposits		**62,463**	22,427
Other income	7	**135,023**	695,487
Gain on sale of trading securities		-	2,355,310
Administrative expenses	8	**(1,019,306)**	(1,710,445)
Amortisation of intangible assets	13	-	(2,238,225)
Loss for the year before discontinued operations and loss on disposal of the investment portfolio		**(703,550)**	(762,801)
Profit from discontinued operations	9	-	17,286,542
(Loss) / Profit for the year after discontinued operation And before loss on disposal of the investment portfolio		**(703,550)**	16,523,741
Loss on disposal of the investment portfolio	14	-	(434,222)
(LOSS) / PROFIT FOR THE YEAR		**(703,550)**	16,089,519
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(703,550)**	16,089,519
Basic and diluted (loss) / earnings per share	4	**(0.0012)**	0.0256

The attached notes 1 to 26 form part of these financial statements.

Al Firdous Holdings (P.J.S.C.) [formerly Manasek (P.J.S.C.)]

STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	Notes	2010 AED	2009 AED
ASSETS			
Non-current assets			
Property, plant and equipment	11	**16,481**	22,047
Current assets			
Accounts receivable and prepayments	15	**295,768,055**	295,890,182
Receivable on sale of the investment portfolio	16	**326,789,701**	326,789,701
Bank balances and cash	17	**1,912,033**	2,715,940
		624,469,789	625,395,823
TOTAL ASSETS		**624,486,270**	625,417,870
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve	19	**3,435,562**	3,435,562
Retained earnings		**19,625,937**	20,329,487
Total equity		**623,956,144**	624,659,694
Non-current liabilities			
Employees' end of service benefits	20	**63,350**	41,824
Current liabilities			
Accounts payable and accruals	21	**466,776**	716,352
Total liabilities		**530,126**	758,176
TOTAL EQUITY AND LIABILITIES		**624,486,270**	625,417,870

Shk. Khaled Al Nahyan
Director
29 June 2010

Mr. Sherif El-Talawy
Chief Financial Officer
29 June 2010

The attached notes 1 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2010

	Notes	*2010* *AED*	*2009* *AED*
OPERATING ACTIVITIES			
(Loss) / Profit for the year		**(703,550)**	16,089,519
Adjustments for:			
Depreciation		**5,566**	5,054
Amortisation of intangible assets	13	**-**	2,238,225
Provision for employees' end of service benefits		**21,526**	12,545
Net gain on trading securities		**-**	(2,355,310)
Dividend and income from deposits		**(62,463)**	(600,906)
Loss on sale of the investment portfolio		**-**	434,222
		(738,921)	15,823,349
Working capital changes:			
Accounts receivable and prepayments		**122,127**	(265,749,354)
Accounts payable and accruals		**(249,576)**	(74,550,349)
Net cash used in operations		**(866,370)**	(324,476,354)
Cash from operating activities from discontinued operations		**-**	42,803,803
Net cash used in operating activities		**(866,370)**	(281,672,551)
INVESTING ACTIVITIES			
Sale of islamic financing and investing assets		**-**	90,315,019
Purchase of property, plant and equipment		**-**	(4,209)
Dividend and income from deposits		**62,463**	600,906
Proceeds from sale of trading securities		**-**	116,980,494
Cash used in investing activities from discontinued operations		**-**	(45,035,984)
Net cash from investing activities		**62,463**	162,856,226
FINANCING ACTIVITIES			
Directors' fees paid		**-**	(700,000)
Cash used in financing activities from discontinued operations		**-**	(598,117)
Cash used in financing activities		**-**	(1,298,117)
DECREASE IN CASH AND CASH EQUIVALENTS		**(803,907)**	(120,114,442)
Cash and cash equivalents at the beginning of the year		**2,715,940**	122,830,382
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	**1,912,033**	2,715,940

The attached notes 1 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2010

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2008 as previously reported	600,000,000	894,645	1,826,610	16,439,493	619,160,748
Adjustment resulting from purchase price allocation exercise (Note 12)	-	-	-	(9,890,573)	(9,890,573)
Balance at 1 April 2008 (restated)	600,000,000	894,645	1,826,610	6,548,920	609,270,175
Profit for the year	-	-	-	16,089,519	16,089,519
Directors' fees	-	-	-	(700,000)	(700,000)
Transferred to statuary reserve	-	-	1,608,952	(1,608,952)	-
Balance at 31 March 2009	600,000,000	894,645	3,435,562	20,329,487	624,659,694
Loss for the year	-	-	-	(703,550)	(703,550)
Balance at 31 March 2010	**600,000,000**	**894,645**	**3,435,562**	**19,625,937**	**623,956,144**

The attached notes 1 to 26 form part of these financial statements.

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 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.)." The Company is engaged principally in the business of organising Hajj and Umra trips.

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 16).

Accordingly, the subsidiary's results of operations were consolidated up to 31 December 2008.

2 FUNDAMENTAL ACCOUNTING CONCEPT

Although the Company incurred a loss of AED 703,550 for the year ended 31 March 2010 (2009: Profit of AED 16,089,519), and had limited operation 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 profitable business as it is in the process of developing and implementing new investment plans.

3 ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These financial statements are prepared under the historical cost convention modified to include the measurement at fair value of trading securities.

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.

Subsidiaries
Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be from the date on which control is transferred out of the Group. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group balances and transactions, including unrealised profits, have been eliminated on consolidation.

3 ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies are consistent with those used in the previous year except for adoption of new standards and interpretations effective for the annual periods beginning on or after 1 January 2009, as noted below:

IAS 1 Revised Presentation of Financial Statements
During the year, the Company has adopted IAS 1, "Presentation of Financial Statements", (Revised) which has become effective for the annual periods beginning on or after 1 January 2009. The standard requires changes in equity arising from transactions with owners in their capacity as owners (i.e. owners' change in income) to be presented in the statement of changes in equity. All other changes in the equity (i.e. non-owners' changes in equity) are required to be presented separately in a statement of comprehensive income which presents all items of recognised income and expenses either in a single statement or in two linked statements. The Company has elected to present one statement.

Other new and amended IFRS and IFRIC interpretations effective from 1 January 2009 did not have any impact on the accounting policies, financial position or performance of the Company.

IASB Standards and Interpretations issued but not yet effective
The Company has not adopted the new accounting standards or interpretations that have been issued but are not yet effective. These standards and interpretations are not likely to have any significant impact on the financial statements of the Company in the period of their initial application.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue is recognised in the statement of comprehensive income upon rendering services and issuance of invoices.

Profit on deposits is recognised as the profit accrues.

Dividend revenue is recognised when the right to receive the dividend is established.

Islamic financing and investing assets
Islamic financing and investing assets principally comprise parcels of land held for capital appreciation, which are measured at cost, including specifically attributable transaction costs. Islamic financing and investing assets are derecognised when they have been disposed of. Any gains or losses on the disposal of Islamic financing and investing assets are recognised in the statement of comprehensive income in the period in which the disposal occurs.

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

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land which is determined to have an indefinite life. The rates of depreciation are based upon the following estimated useful lives:

Furniture and fixtures	6 - 8 years
Machinery and equipment	5 - 8 years
Leasehold improvements	10 years
Motor vehicles	5 years
Advertisement boards	10 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.

3 ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)
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 statement of comprehensive 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 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.

Business combination and goodwill
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Gains or losses arising from derecognition of goodwill are measured as the difference between the net disposal proceeds and the carrying amount of the goodwill and are recognised in the statement of comprehensive income when the asset is derecognised.

Intangible assets (excluding goodwill)
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite useful lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3 ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (excluding goodwill) (continued)
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless that asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Company performs its annual impairment test of goodwill as at 31 March.

Trading investments
These are initially recognised at cost and subsequently remeasured at fair value. All related realised and unrealised gains or losses are included in the statement of comprehensive income as gains or losses from trading securities.

Non-trading investments

These are classified as follows:
- Held to maturity
- Investments carried at fair value through statement of comprehensive income
- Available-for-sale

3 ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-trading investments (continued)
All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

Held to maturity
Investments which have fixed or determinable payments and fixed maturity and which are intended to be held to maturity are carried at amortised cost, less provision for impairment in value.

Investments carried at fair value through profit and loss
Investments are classified as fair value through income statement if the fair value of the investment can be reliably measured and the classification as fair value through income statement is as per the documented strategy of the Company. Investments classified as "Investments at fair value through income statement" after initial recognition are remeasured at fair value with all changes in fair value being recorded in the statement of comprehensive income.

Available-for- sale investments
Available-for-sale financial investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit and loss, held to maturity or financing and investing assets.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognised in the income statement in finance costs and removed from the available-for-sale reserve.

Impairment and uncollectibility of financial assets
An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value; less any impairment loss previously recognised in the statement of comprehensive income ;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective return rate.

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.

3 ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions and employees' end-of-service benefits
The Company provides end of service benefits to its expatriate employees in the United Arab Emirates. 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.

With respect to its UAE national employees, the Company makes a provision for contributions to be made to the UAE Pension Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

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

Derecognition of financial assets and financial liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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 currency translation
The financial statements are presented in UAE Dirhams (AED) which is the functional currency of the company.

Transactions in foreign currencies are recorded in the functional currency 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 profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

As at the reporting dates, the assets and liabilities of subsidiaries with functional currencies other than AED are translated into AED at the rate of exchange ruling at the statement of financial position date and, their statement of comprehensive incomes are translated at the weighted average exchange rates for the year.

The differences arising on the translation are taken directly to a separate component of equity. On disposal of an entity, the deferred cumulative amount recognised in equity relating to that entity is recognised in the statement of comprehensive income.

3 ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair values
For investments actively traded in active financial markets, fair value is determined by reference to quoted market prices at the close of business on the statement of financial position date. Bid prices are used for assets and offer prices are used for liabilities.

For unquoted investments, a reasonable estimate of the fair value is determined by reference to the market value of a similar investment or is based on acceptable valuation techniques.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant impact on the amounts recognised in the financial statements.

Classification of investments:
Board of Directors decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through statement of comprehensive income or available-for-sale.

For those investments deemed to be held to maturity, management ensures that the requirements of IAS 39 are met and, in particular that the Company has the intention and ability to hold these to maturity.

The Company classifies investments as trading if they are acquired primarily for the purpose of making a short term profit.

Classification of investments as fair value through income statement depends on how the Board of Directors monitors the performance of these investments. When they are not classified as trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, these are classified as fair value through income statement.

All other investments are classified as available-for-sale.

4 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

Basic (loss) / earnings per share is calculated by dividing the loss for the year AED 703,550 net of Directors' fees of AED Nil (31 March 2009: profit of AED 16,089,519 net of Directors' fees of AED 700,000) by the weighted average number of shares outstanding of 600,000,000 (31 March 2009: 600,000,000) of AED 1 each outstanding during the year.

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

5 REVENUE

	2010 AED	2009 AED
Hajj	-	48,627,547
Umra	**500,860**	25,522,084
Hotel Services	-	44,110,366
Food and Beverages	-	5,215,552
Others	**24,000**	1,871,175
Less: related to subsidiary (Note 9)	-	(123,625,312)
Total revenue	**524,860**	1,721,412

6 DIRECT COSTS

	2010 AED	2009 AED
Lease payments	-	47,642,254
Umra office costs	**231,400**	24,251,617
Salaries and other benefits	-	4,588,970
Cost of food and beverages	-	4,048,323
Depreciation	-	4,041,254
Water and electricity	-	2,805,812
Repairs and maintenance	-	1,347,439
Hajj& Umra ticket costs	**175,190**	970,000
Other hajj costs	-	638,767
Other operating expenses	-	2,735,190
Less: related to subsidiary (Note 9)	-	(91,460,859)
	406,590	1,608,767

7 OTHER INCOME

	2010 AED	2009 AED
Dividend income	-	578,479
Others	**135,023**	117,008
	135,023	695,487

8 ADMINISTRATIVE EXPENSES

	2010 *AED*	*2009* *AED*
Salaries and benefits	**620,427**	4,615,894
Governmental expenses	**39,576**	1,636,812
Professional fees	**200,200**	695,787
Travel and transportation	**8,900**	413,150
Marketing expenses	**22,885**	39,050
Repairs and maintenance	**-**	227,852
Stationery and printing	**-**	151,833
Rental - operating leases	**28,613**	113,542
Annual General Meeting	**26,236**	111,298
Insurance	**-**	12,396
Depreciation	**5,566**	538,770
Telephone and post	**6,673**	324,044
Leave salaries	**50,408**	28,617
Bad debts written off	**-**	3,134,720
Others	**9,822**	3,734,995
Less: related to subsidiary (Note 9)	**-**	(14,068,315)
	1,019,306	1,710,445

9 DISCONTINUED OPERATIONS

In the Board of Directors' meeting held on 1 March 2009, the Directors resolved to dispose of the 100% interest in Al Firdous Group Co Ltd for Hotels (a 100% subsidiary) with effect from 1 January 2009. Accordingly, the business had been treated as discontinued operations during the year 2009. The subsidiary's results of operations were consolidated up to 31 December 2008.

The results of subsidiary were presented below:

	Notes	*1 April 2008 to 31 December 2008* *AED*
Revenue	5	123,625,312
Direct costs	6	(91,460,859)
Gross profit		32,164,453
Administrative expenses	8	(14,068,315)
Profit for the subsidiary before Zakat		18,096,138
Zakat	10	(809,596)
Profit from discontinued operations		17,286,542

10 ZAKAT

During the prior year, the subsidiary had accrued for Zakat in accordance with the provisions and rules of Zakat applied in the Kingdom of Saudi Arabia. Such provision was charged to the statement of comprehensive income up to the date of sale of the subsidiary.

11 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures AED	*Machinery and equipment AED*	*Leasehold improvements AED*	*Motor vehicles AED*	*Advertisement boards AED*	*Total AED*
Cost:						
At 1 April 2009	134,218	152,820	-	5,500	-	292,538
At 31 March 2010	**134,218**	**152,820**	-	**5,500**	-	**292,538**
Depreciation:						
At 1 April 2009	112,173	152,819	-	5,499	-	270,491
Depreciation charge for the year	5,566	-	-	-	-	5,566
At 31 March 2010	**117,739**	**152,819**	-	**5,499**	-	**276,057**
Net carrying amount:						
At 31 March 2010	**16,479**	**1**	-	**1**	-	**16,481**

	Furniture and fixtures AED	*Machinery and equipment AED*	*Leasehold improvements AED*	*Motor vehicles AED*	*Advertisement boards AED*	*Total AED*
Cost:						
At 1 April 2008	6,202,696	3,366,115	9,411,560	1,197,747	97,446	20,275,564
Additions	7,009,254	3,020,119	37,614,559	83,150	61,179	47,788,261
Disposals on sale of subsidiary	(13,077,732)	(6,233,414)	(47,026,119)	(1,275,397)	(158,625)	(67,771,287)
At 31 March 2009	134,218	152,820	-	5,500	-	292,538
Depreciation:						
At 1 April 2008	383,850	203,522	2,439,338	230,828	2,460	3,259,998
Depreciation charge for the year	1,280,992	677,164	2,348,583	261,706	11,579	4,580,024
Relating to disposals on sale of subsidiary	(1,552,669)	(727,867)	(4,787,921)	(487,035)	(14,039)	(7,569,531)
At 31 March 2009	112,173	152,819	-	5,499	-	270,491
Net carrying amount:						
At 31 March 2009	22,045	1	-	1	-	22,047

12 BUSINESS COMBINATION

In 2007, the Company entered into an agreement to acquire 100% ownership in Al Firdous Group Co for Hotels, a company involved in managing and operating hotels and restaurants in the Kingdom of Saudi Arabia and organising Hajj and Umrah trips, for a consideration amounting to AED 150,000,000. The transfer and registration of Al Firdous Group Co for Hotels in favour of the Company was finalised on 14 July 2007. This transaction has been accounted for using the purchase method of accounting. The fair values of the identifiable assets and liabilities of Al Firdous Group Co for Hotels and the corresponding carrying amounts as of the date of acquisition were as follows:

	Carrying value AED	*Fair value AED*
Assets acquired:		
Property, plant and equipment	26,823,009	26,823,009
Intangible assets	-	29,038,218
Accounts receivable and prepayments	31,428,873	31,428,873
Inventories	715,495	715,495
Bank balances and cash	2,749,056	2,749,056
Total assets	61,716,433	90,754,651
Less: liabilities assumed		
Employees' end of service benefits	(933,853)	(933,853)
Accounts payable and accruals	(20,210,552)	(20,210,552)
Murahaba financing	(1,774,408)	(1,774,408)
Net assets	38,797,620	67,835,838
Goodwill on acquisition	111,202,380	82,164,162
Total consideration	150,000,000	150,000,000

Cash flow on acquisition:	
Cost of acquisition	150,000,000
Less: net cash acquired	(2,749,056)
Net cash outflow	147,250,944

The initial accounting for the above acquisition was provisional in the 31 March 2008 financial statements as the Purchase Price Allocation (PPA) exercise had not been finalised. Subsequently, the final valuations and PPA were completed and the Company recognised the relevant adjustments, as shown above, with effect from the date of acquisition as required by IFRS 3.

Consequently, the statement of comprehensive income for the year ended 31 March 2008 was restated to show the amortisation of intangible assets of AED 9,890,573.

The Goodwill recognised above was attributed to the expected synergies and other benefits from combining the assets and operations of the subsidiary with those of the Company.

13 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill:
Goodwill was restated following the finalisation of fair value adjustments made to the identifiable assets and liabilities acquired on business combinations made in the prior year (Note 12).

Goodwill was allocated to Al Firdous Group Co for Hotels (the cash-generating unit), and was tested for impairment using a value in use model. Al Firdous Group Co for Hotels is the lowest level within the Company at which goodwill is monitored for internal management purposes.

The recoverable amounts have been determined based on value in use calculations, using discounted cash flow projections. Management has adopted a period of up to 15 years to assess its value in use. The cash flow projections are based on financial budgets prepared by management and are approved by the Board of Directors covering the same period.

Key assumptions used in value in use calculations
The calculation of value in use is sensitive to the following assumptions:

- Market share
- Growth rate
- Net profit margins, and
- Discount rate

Market share: The key assumption relates to management's assessment that the properties will maintain their status as a premier hotel operator.

Growth rate: estimates are based on management's assessment of market share having regard to forecasted economic growth in the Kingdom of Saudi Arabia in which the hotels operate and the demand for accommodation. A conservative terminal growth rate of 4.2% per annum has been applied for the fifteen year period.

Net profit margins: estimates are based upon management's assumption of achieving a stabilised level of performance following its first full year of operations.

Discount rate: Management has used a discount rate of 14.6% per annum throughout the assessment period.

Sensitivity to changes in assumptions
Board of Directors believed that no reasonably possible changes in any of the key assumptions would cause the carrying value of the hotel operations to exceed its recoverable amount, after giving due consideration to the economic outlook for the Hajj and Umrah hospitality industry and the commercial assumptions underpinning the cash flow forecast of the operations.

Intangible assets:
Intangible assets identified as a result of the Purchase Price Allocation (PPA) exercise at the date of acquisition were as follows:

	14 July 2007 AED
Order backlog	3,333,072
Customer relationships	12,135,778
Lease agreements	13,569,368
	29,038,218

13 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Movement in the intangible assets upto the date of disposal of subsidiary was as follows:

	2010 *AED*	*2009* *AED*
Balance at 1 April	-	19,147,645
Charge for the period	-	(2,238,225)
Transfer on sale of subsidiary (Note 14)	-	(16,909,420)
Balance at 31 March	-	-

The Company was amortising the intangible assets over the periods in which they provided benefits to the Group. During the prior year, an amortisation expense of AED 2,238,225 had been recognised up to the date of sale of the subsidiary.

14 DISPOSAL OF THE INVESTMENT PORTFOLIO

In the Board of Directors' meeting held on 1 March 2009, the Directors resolved to dispose of the investment portfolio with effect from 1 January 2009 for a consideration of AED 326,789,701 (Note 16). The investment portfolio consists of 100% interest in Al Firdous Group Co Ltd for Hotels (a 100% subsidiary) and Islamic financing and investing assets in Sharia complaint real estate projects in the Kingdom of Saudi Arabia. The disposal resulted in a loss of AED 434,222, which was included in the statement of comprehensive income and was calculated as follows:

	AED
Carrying value of total assets of the subsidiary as on the date of sale	**141,815,740**
Less carrying value of liability of the subsidiary as on the date of sale	**(8,347,472)**
Net assets of the subsidiary	**133,468,268**
Carrying value of goodwill at the date of disposal	**82,164,162**
Carrying value of intangible assets at the date of disposal (Note 13)	**16,909,420**
Carrying value of islamic financing and investing assets (Note 22)	**94,682,073**
	327,223,923
Less consideration on sale of investment portfolio (Note 16)	**(326,789,701)**
Loss on disposal	**434,222**

15 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2010 *AED*	*2009* *AED*
Due from related parties (Note 22)	**295,729,635**	295,841,527
Prepayments	**11,250**	19,075
Deposits	**6,250**	14,869
Other receivables	**20,920**	14,711
	295,768,055	295,890,182

Recovery of the amount due from related parties has been guaranteed by a shareholder of the Company (Note 22).

15 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

As at 31 March 2010, trade receivables at nominal value of AED Nil (2009: AED Nil) were impaired.

The movement in the allowance for impairment of receivables was as follows:

	2010 *AED*	*2009* *AED*
At the beginning of the year	-	2,048,606
Amounts written off	-	(2,048,606)
At 31 March	-	-

16 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on 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. This amount is guaranteed by a related party (Note 22).

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.

Subsequent to the year end, and due to the 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 the date of the financial statements. Accordingly, the amount receivable on sale of the investment properties has been classified as current.

17 CASH AND CASH EQUIVALENTS

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

	2010 *AED*	*2009* *AED*
Bank balances and cash	**412,033**	715,940
Short term deposit	**1,500,000**	2,000,000
	1,912,033	2,715,940

The short term deposit is denominated in AED and carries an effective profit rate of 4% p.a. (2009: 5% p.a.).

18 SHARE CAPITAL

	2010 *AED*	*2009* *AED*
Issued and fully paid: 600,000,000 shares @ AED 1 each (2009: 600,000,000 shares @ AED 1 each)	**600,000,000**	600,000,000

19 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 Company has not transferred any amount to the reserve as the Company has incurred losses during the year. The reserve is not available for distribution except in the circumstances stipulated by the Law.

20 EMPLOYEES' END OF SERVICE BENEFITS

	2010 *AED*	*2009* *AED*
At the beginning of the year	**41,824**	1,041,100
Provision for the year	**21,526**	215,470
Transfer on sale of subsidiary	**-**	(1,214,746)
Balance at 31 March	**63,350**	41,824

21 ACCOUNTS PAYABLE AND ACCRUALS

	2010 *AED*	*2009* *AED*
Trade payables	**314,152**	319,919
Other payables	**61,374**	125,168
Accrued expenses	**91,250**	271,265
	466,776	716,352

22 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 with related parties included in the statement of financial position are as follows:

	2010 *AED*	*2009* *AED*
Due from Bin Zayed Group	**5,789,651**	5,901,543
Advance against purchase of property	**289,939,984**	289,939,984
	295,729,635	295,841,527

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

b) Islamic financing and investing assets represented amounts advanced for investments in Sharia compliant real estate projects in the Kingdom of Saudi Arabia.

22 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The movement in the Islamic financing and investing assets was as follows:

	2010 *AED*	*2009* *AED*
Balance at the beginning of the year	-	90,315,019
Payment made during the year	-	4,367,054
Transfer on sale of subsidiary (Note 14)	-	(94,682,073)
Balance at 31 March	-	-

For the year ended 31 March 2010, the Company has not recorded any impairment of amounts owed by related party (31 March 2009: AED Nil).

c) The amount receivable on sale of the investment portfolio has been guaranteed by Bin Zayed Group. 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 and 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 above amount of AED 295,729,635 by the assignment of properties to the Company with a fair value not less that the above amount.

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

	2010 *AED*	*2009* *AED*
Short term benefits	-	700,000

23 COMMITMENTS

The Company has no future obligations or commitments as of 31 March 2010 (31 March 2009: Nil)

24 SEGMENTAL INFORMATION

Up to the date of disposal of the investment portfolio, the Group operated in two geographic markets: U.A.E. under Al Firdous Holdings (P.J.S.C) which functions as the corporate office and Kingdom of Saudi Arabia under Al Firdous Group Co Ltd for Hotels Group which organizes Hajj and Umra trips. The following table shows the distribution of the Group's operating income and total assets and liabilities by operating and geographic segments:

2010:	***U.A.E corporate 2010 AED***	***Kingdom of Saudi Arabia hajj and umra 2010 AED***	***Total 2010 AED***
Revenues	**524,860**	**-**	**524,860**
Income on deposits	**62,463**	**-**	**62,463**
Other income	**135,023**	**-**	**135,023**
Depreciation	**5,566**	**-**	**5,566**
Segment losses	**(703,550)**	**-**	**(703,550)**
Total assets	**624,486,270**	**-**	**624,486,270**
Total liabilities	**530,126**	**-**	**530,126**

2009:	*U.A.E corporate 2009 AED*	*Kingdom of Saudi Arabia haj and umra 2009 AED*	*Total 2009 AED*
Revenues	1,721,412	123,475,549	125,196,961
Income on deposits	22,427	-	22,427
Other income	3,047,097	-	3,047,097
Depreciation	5,054	4,574,970	4,580,024
Segment (losses) / profits	(1,197,023)	17,286,542	16,089,519
Total assets	625,417,870	-	625,417,870
Total liabilities	758,176	-	758,176

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade payables. The main purpose of these financial instruments is to raise finance for the financial'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 and short-term deposits, 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 2010, the Company is not exposed to any significant profit rate risk.

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 2010

	3 to 12 months AED	***Total AED***
Accounts payable	**314,152**	**314,152**
Other payables and accrued expenses	**152,624**	**152,624**
Total	**466,776**	**466,776**

At 31 March 2009

	3 to 12 months AED	*Total AED*
Accounts payable	319,919	319,919
Other payables and accrued expenses	396,433	396,433
Total	716,352	716,352

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, and 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.

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)
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 functional currency of the Company is the UAE Dirham. The Company is not exposed to any other 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. The Company fully complied with the externally imposed capital requirements and no changes were made in the objectives, policies or processes during the years ended 31 March 2010 and 31 March 2009. Capital comprises share capital, additional paid in capital, statutory reserve and retained earnings, and is measured at AED 623,956,144 as at 31 March 2010 (2009: AED 624,659,694).

26 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 and due from a related party. Financial liabilities consist of accounts payable, accrued liabilities and certain other liabilities.

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.