

**Al Firdous Holdings (P.J.S.C.) and its  
Subsidiary**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 DECEMBER 2013 (UNAUDITED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONCOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AI FIRDOUS HOLDINGS (P.J.S.C.)**

### ***Introduction***

We were engaged to review the accompanying interim condensed consolidated financial statements of Al Firdous Holdings (P.J.S.C.) (The "Company") and its subsidiary, (collectively "the Group") as at 31 December 2013, comprising the interim consolidated statement of financial position as at 31 December 2013 and the related interim consolidated statement of comprehensive income for the three month and nine month periods then ended, consolidated statement of cash flows and statement of changes in equity for the nine month period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

### ***Scope of Review***

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review in accordance with International Standard on Review Engagements 2410, "Review of Interim consolidated Financial Information Performed by the Independent Auditor of the Entity". Because of the matters described in the Basis for Disclaimer of Conclusion paragraphs below, we are unable to express a review conclusion.

### ***Basis for Disclaimer of Conclusion***

#### ***a) Receivable on sale of the investment portfolio***

As disclosed in note 5 to the interim condensed consolidated financial statements, an amount of AED 326,789,701 (31 March 2013: 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 interim condensed consolidated 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 audit report on the consolidated financial statements for the year ended 31 March 2013 was qualified in respect of this matter.

#### ***b) Advance against the purchase of a property***

As disclosed in note 7 to the interim condensed consolidated financial statements, an amount of AED 289,939,984 (31 March 2013: 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 (31 March 2013: AED 289,939,984) by the assignment of properties to the Company with a fair value not less than the same amount. However, to date, no assignment of properties has taken place and we have not been provided with sufficient and appropriate audit evidence to support the recoverability of this amount. Accordingly, we were unable to determine whether any provision may be required against the advance for purchase of property. Our audit report on the consolidated financial statements for the year ended 31 March 2013 was qualified in respect of this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AI FIRDOUS HOLDINGS (P.J.S.C.)  
(continued)**

***Basis for Disclaimer of Conclusion (Continued)***

Furthermore, our review report on the interim condensed financial statements for the period ended 31 December 2012 and our audit report on the annual financial statements for the year ended 31 March 2013 were disclaimed with regard to the above matters.

***Disclaimer of Conclusion***

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraphs above, we are unable to express a conclusion on the interim condensed consolidated financial statements of the Company.



Ernst & Young  
Signed by  
Ashraf Abu-Sharkh  
Partner  
Registration No. 690  
11 February 2014

Dubai, United Arab Emirates

Al Firdous Holdings (P.J.S.C.) and its Subsidiary

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2013 (Unaudited)

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2013 AED	2012 AED	2013 AED	2012 AED
Revenue		4,637,992	3,765,007	11,423,201	8,789,235
Direct costs		(1,720,021)	(1,299,115)	(5,131,790)	(3,872,548)
<b>Gross profit</b>		<b>2,917,971</b>	<b>2,465,892</b>	<b>6,291,411</b>	<b>4,916,687</b>
Income on deposit		10,565	16,524	39,482	57,151
Other income		11,865	15,683	36,919	42,315
Administrative expenses		(668,905)	(1,087,777)	(1,907,468)	(2,903,228)
Share of revenue to property owner	3	(1,394,957)	(895,439)	(3,438,036)	(2,117,112)
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>876,539</b>	<b>514,883</b>	<b>1,022,308</b>	<b>(4,187)</b>
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>876,539</b>	<b>514,883</b>	<b>1,022,308</b>	<b>(4,187)</b>
Basic and diluted earnings per share	4	<b>0.00146</b>	<b>0.00074</b>	<b>0.00170</b>	<b>(0.00012)</b>

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

Al Firdous Holdings (P.J.S.C.) and its Subsidiary

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013 (Unaudited)

	<i>Notes</i>	<i>31 December 2013 AED</i>	<i>31 March 2013 AED (Audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<u>444,255</u>	<u>613,657</u>
<b>Current assets</b>			
Inventories		72,567	76,591
Accounts receivable and prepayments	7	297,843,907	297,234,882
Receivable on sale of the investment portfolio	5	326,789,701	326,789,701
Bank balances and cash	6	<u>10,886,527</u>	<u>8,921,101</u>
		<u>635,592,702</u>	<u>633,022,275</u>
<b>TOTAL ASSETS</b>		<u><u>636,036,957</u></u>	<u><u>633,635,932</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve		4,034,023	4,034,023
Retained earnings		<u>25,444,391</u>	<u>24,422,083</u>
<b>Total equity</b>		<u>630,373,059</u>	<u>629,350,751</u>
<b>Non-current liability</b>			
Employees' end of service benefits		<u>198,405</u>	<u>134,433</u>
<b>Current liabilities</b>			
Accounts payable and accruals	7	<u>5,465,493</u>	<u>4,150,748</u>
<b>Total liabilities</b>		<u>5,663,898</u>	<u>4,285,181</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>636,036,957</u></u>	<u><u>633,635,932</u></u>

Shk. Khaled Bin Zayed Al Nahyan  
Chairman

11 February 2014

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

Al Firdous Holdings (P.J.S.C.) and its Subsidiary

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 31 December 2013 (Unaudited)

	<i>Note</i>	<i>Nine months ended 31 December</i>	
		<i>2013 AED</i>	<i>2012 AED</i>
<b>OPERATING ACTIVITIES</b>			
Profit / (Loss) for the period		1,022,308	(4,187)
Non-cash adjustments to reconcile profit to net cash flows			
From operations:			
Depreciation		248,592	209,071
Income on deposit		(39,482)	(57,151)
Provision for employees' end of service benefits		63,972	94,862
		<u>1,295,390</u>	<u>242,595</u>
Working capital changes:			
Inventories		4,024	(44,636)
Accounts receivable and prepayments		(609,025)	(539,538)
Accounts payable and accruals		1,314,745	(2,562,930)
		<u>2,005,134</u>	<u>(2,904,509)</u>
Net cash from / (used in) operating activities			
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(79,190)	(238,302)
Income on deposit		39,482	57,151
		<u>(39,708)</u>	<u>(181,151)</u>
Net cash used in investing activities			
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,965,426</b>	<b>(3,085,660)</b>
Cash and cash equivalents at beginning of period		<u>8,921,101</u>	<u>9,843,173</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>6</b>	<b><u>10,886,527</u></b>	<b><u>6,757,513</u></b>

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

Al Firdous Holdings (P.J.S.C.) and its Subsidiary

INTERIM STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

Period ended 31 December 2013 (Unaudited)

2013:

	<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 2013	600,000,000	894,645	4,034,023	24,422,083	629,350,751
Total comprehensive income for the period	-	-	-	1,022,308	1,022,308
<b>Balance at 31 December 2013</b>	<b>600,000,000</b>	<b>894,645</b>	<b>4,034,023</b>	<b>25,444,391</b>	<b>630,373,059</b>

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 2012	600,000,000	894,645	3,955,357	24,024,092	628,874,094
Total comprehensive income for the period	-	-	-	(4,187)	(4,187)
Directors' fees	-	-	-	(70,000)	(70,000)
<b>Balance at 31 December 2012</b>	<b>600,000,000</b>	<b>894,645</b>	<b>3,955,357</b>	<b>23,949,905</b>	<b>628,799,907</b>

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

# Al Firdous Holdings (P.J.S.C.) and its Subsidiary

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2013 (Unaudited)

### 1 ACTIVITIES

Al Firdous Holdings (P.J.S.C.) [formerly Manasck (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 "Manasck (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 5).

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 revenue (Note 3).

On 31 December 2013, the company incorporated a subsidiary, Yummy Chain Two L.L.C. The principle activity of the subsidiary is operating a restaurant. This subsidiary didn't carry out any activities up to 31 December 2013.

### 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB), and the applicable requirements of the laws of the UAE. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2013.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the annual financial statements as at and for the year ended 31 March 2013. In addition, results for the nine month period ended 31 December 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2014.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirham (AED), which is the reporting and the functional currency of the Group.

### 2.2 STATEMENTS OF COMPLIANCE

The condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable requirements of the UAE law.

### 2.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary ("the Group").

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.



**Basis of consolidation (Continuous)**

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

**2.4 CHANGES IN ACCOUNTING POLICIES AND STANDARDS**

**New standards, interpretations and amendments thereof, adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2013, except for the adoption of the amended standards as of 1 January 2013, noted below:

***IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements***

The amendment to IFRS 7 is effective for annual periods beginning on or after 1 July 2012. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the users of the Company's consolidated 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 the derecognised assets to enable the users to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Company's financial position or performance.

Other standards, interpretations or amendments did not have any impact on the accounting policies, financial position or performance of the Company.

The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## Al Firdous Holdings (P.J.S.C.) and its Subsidiary

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2013 (Unaudited)

#### 3 SHARE OF REVENUE TO PROPERTY OWNER

This represents 30% of total revenues payable to Gulf Oasis Reality (2012: 30% of total room revenues).

#### 4 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings / (loss) per share is calculated by dividing the profit for the period of AED 1,022,308 (31 December 2012: Loss of AED 4,187) net of Directors' fee of Nil (31 December 2012: AED 70,000) by the weighted average number of shares of 600,000,000 (31 December 2012: 600,000,000) of AED 1 each outstanding during the period.

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

#### 5 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 the 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 7).

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, 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 Board of Directors 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.

#### 6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the interim consolidated statement of cash flows consist of the following consolidated statement of financial position amounts:

	<i>31 December</i> <i>2013</i> <i>AED</i>	<i>31 December</i> <i>2012</i> <i>AED</i>
Cash and bank balances	5,586,527	1,457,513
Short term deposits	5,300,000	5,300,000
	<u>10,886,527</u>	<u>6,757,513</u>

The short term deposit is denominated in AED and carries an effective profit rate of 1.2% p.a. (2012: 1.9% p.a.).

#### 7 RELATED PARTY BALANCES AND TRANSACTIONS

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

# Al Firdous Holdings (P.J.S.C.) and its Subsidiary

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2013 (Unaudited)

### 7 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	<i>31 December 2013 AED</i>	<i>31 March 2013 AED</i>
Due from Bin Zayed Group	5,782,160	5,782,160
Advance against purchase of property	<u>289,939,984</u>	<u>289,939,984</u>
	<u><u>295,722,144</u></u>	<u><u>295,722,144</u></u>

Advance against the purchase of property represents the payment made through Bin Zayed Group for the purchase of land in Dubai.

For the period ended 31 December 2013, the Company has not recorded any impairment of amounts owed by related parties (31 March 2013: AED Nil).

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 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 consolidated statement of financial position are as follows:

	<i>31 December 2013 AED</i>	<i>31 March 2013 AED</i>
Other related parties	<u>3,725,628</u>	<u>2,222,042</u>

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

	<i>31 December 2013 AED</i>	<i>31 December 2012 AED</i>
Share of revenue to property owner	<u>3,438,036</u>	<u>2,117,112</u>

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

	<i>31 December 2013 AED</i>	<i>31 December 2012 AED</i>
Directors fees	<u>-</u>	<u>70,000</u>

### 8 COMMITMENTS

The Company has no future obligations or commitments as of 31 December 2013 (31 March 2013: Nil).