

الفردوس  
الفردوس القابضة ش.م.ع

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

# Integrated Report 2022

Al Firdous P.J.S.C

# Integrated Report sections

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# الفردوس

الفردوس القابضة ش.م.ع

## Al Firdous

Al Firdous Holding P.J.S.C

المقر الرئيسي

### BOARD' REPORT

The Directors of Al Firdous Holdings (P.J.S.C) (the "Company") have the pleasure of presenting their report along with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2022.

#### Main business and operations

Al Firdous Holdings (P.J.S.C.) (the "Company") is a public joint stock company registered on 1 July 1998 in Dubai, United Arab Emirates (UAE), according to Ministerial Decree Number 106 for the year 1998. The Company commenced its operation on 22 October 1998 under commercial license number 508397 issued by the Department of Economic Development of the Government of Dubai. The Company is registered on Dubai Financial Market, UAE.

#### Principal activities

The principal activities of the group are Hajj and Umrah organising and documents clearing services.

#### Financial positions and results

The operating results and financial position of the Group are fully set out in the attached consolidated financial statements. The Group has incurred a net loss of AED 1,523,280 for the year ended 31 March 2022 as compared to the restated loss for the year ended 31 March 2021: AED 2,529,091.

#### Directors

The Directors of the Group throughout the year, and to the date of this report are:

1. Mr. Sheikh Khaled Bin Zayed Al Nahyan – Chairman of the Board
2. Mr. Sheikh Khalifa Bin Zayed Al Nahyan – Vice Chairman of the Board

These consolidated financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 15 June 2022 and signed on their behalf by Sheikh Khaled Bin Zayed Al Nahyan, Chairman of the Board.



Sheikh Khaled Bin Zayed Saquer Al Nahyan

Chairman of the Board  
Dubai, United Arab Emirates

**Independent auditor's report**  
**To the shareholders of Al Firdous Holdings (P.J.S.C.)****Report on the Audit of the Consolidated Financial Statements****Disclaimer of Opinion**

We do not express an opinion on the accompanying consolidated financial statements of Al Firdous Holdings (P.J.S.C.) (the "Company") and its subsidiaries (the "Subsidiaries") (collectively referred to as the "Group"). Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We were engaged to audit the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

**Basis for Disclaimer of Opinion****- Receivable on the sale of Investment Portfolio**

As disclosed in note 7 to the consolidated financial statements, an amount of AED 326,789,701 (31 March 2021: AED 326,789,701) is due from Islamic Arab Insurance Co, Labuan, Malaysia being the consideration for the sale of the Group's wholly owned subsidiary, Al Firdous Group Co. Ltd. for Hotels, and the Group's Islamic Investing and financing assets, together referred to as the "Investment Portfolio". As per management, this amount was to be settled by 31 March 2011 but is still outstanding as of the date of these consolidated financial statements. The Board of Directors consider this amount to be recoverable in full on the eventual disposal of the assets by Islamic Arab Insurance Co, Labuan, Malaysia. Consequently, no provision has been made against this receivable as of 31 March 2022. However, we have not been provided with sufficient appropriate audit evidence to support this conclusion. Accordingly, we were unable to verify the existence of this receivable or determine the extent of provision required, if any, against this balance. The audit report on the consolidated financial statements for the year ended 31 March 2021 was also disclaimed in respect of this matter.

**- Advance towards purchase of property**

As disclosed in note 8 to the consolidated financial statements, an amount of AED 295,722,144 (31 March 2021: AED 295,722,144) was advanced to a related party predominantly for the purchase of land in Dubai. As per management, the related party has undertaken to secure the amount by the assignment of properties to the Group with a fair value of not less than an equivalent amount. However, we have not been provided with sufficient appropriate audit evidence to support the recoverability of this amount and the assignment of properties in the name of the Group and the fair value of the assigned properties. Accordingly, we were unable to determine the extent of provision, if any, that is required against this advance. The audit report on the consolidated financial statements for the year ended 31 March 2021 was also disclaimed in respect of this matter.

**Independent auditor's report (continued)****To the shareholders of Al Firdous Holdings (P.J.S.C.) (continued)****Report on the Audit of the Consolidated Financial Statements (continued)****Material Uncertainty Related to Going Concern**

We draw attention to note 2 to these consolidated financial statements which indicates that the Group has incurred a net loss of AED 1,523,280 for the year ended 31 March 2022 (31 March 2021: AED 2,529,091) and has accumulated losses of AED 42,457,116 as at 31 March 2022 (31 March 2021: AED 40,933,836). As described in note 2, these events or conditions, the Group concluded that they cannot accurately predict its potential consequences, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Furthermore, licenses of the Company and its subsidiaries are expired and not renewed as of the date of these financial statements. Notwithstanding these facts, the consolidated financial statements of the Group have been prepared on a going concern basis as the Chairman, who is also a shareholder of the Group has resolved to provide the necessary financial support to the Group to enable it to continue its operations and meet its obligations as they fall due.

**Other information**

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Independent auditor's report (continued)**  
**To the shareholders of Al Firdous Holdings (P.J.S.C.) (continued)**

**Report on the Audit of the Consolidated Financial Statements (continued)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

We were engaged to conduct our audit in accordance with International Standards on Auditing ("ISAs"). However, because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirement that are relevant to our audit of the consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code.

**Report on other legal and regulatory requirements**

Further, as required by the UAE Federal Law No. (2) of 2015, as amended, we report that, except for the matters referred to in the basis for disclaimer of opinion paragraphs:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the consolidated financial statements have been prepared and comply in all material respects, with the applicable provision of the UAE Federal Law No. (2) of 2015, as amended, and the Memorandum of Association of the Group;
3. the Group has maintained proper books of account;
4. the consolidated financial statements included in the Directors' report is consistent with the books of the Group;
5. the Group has not purchased or invested in any shares during the financial year ended 31 March 2022;
6. note 8 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
7. based on the information that has been available to us, nothing has come to our attention which causes us to believe that Group has contravened during the financial year ended 31 March 2022 any of the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended or its Memorandum of Association which could materially affect its activities or its financial position as at 31 March 2022; and
8. based on the information available to us, no social contributions were made during the year.

  
**GRANT THORNTON**  
Farouk Mohamed  
Registration No. 86  
Dubai, United Arab Emirates  
15 June 2022



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

Consolidated Financial Statements  
For the year ended 31 March 2022

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**  
**For the year ended 31 March 2022**

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## **BOARD' REPORT**

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### **Main business and operations**

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### **Principal activities**

The principal activities of the group are Hajj and Umrah organising and documents clearing services.

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### **Directors**

The Directors of the Group throughout the year, and to the date of this report are:

1. Mr. Sheikh Khaled Bin Zayed Al Nahyan – Chairman of the Board
2. Mr. Sheikh Khalifa Bin Zayed Al Nahyan – Vice Chairman of the Board

These consolidated financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 15 June 2022 and signed on their behalf by Sheikh Khaled Bin Zayed Al Nahyan, Chairman of the Board.



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Sheikh Khaled Bin Zayed Saquer Al Nahyan

Chairman of the Board  
Dubai, United Arab Emirates

**Independent auditor's report  
To the shareholders of Al Firdous Holdings (P.J.S.C.)****Report on the Audit of the Consolidated Financial Statements****Disclaimer of Opinion**

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We were engaged to audit the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

**Basis for Disclaimer of Opinion****- Receivable on the sale of Investment Portfolio**

As disclosed in note 7 to the consolidated financial statements, an amount of AED 326,789,701 (31 March 2021: AED 326,789,701) is due from Islamic Arab Insurance Co, Labuan, Malaysia being the consideration for the sale of the Group's wholly owned subsidiary, Al Firdous Group Co. Ltd. for Hotels, and the Group's Islamic Investing and financing assets, together referred to as the "Investment Portfolio". As per management, this amount was to be settled by 31 March 2011 but is still outstanding as of the date of these consolidated financial statements. The Board of Directors consider this amount to be recoverable in full on the eventual disposal of the assets by Islamic Arab Insurance Co, Labuan, Malaysia. Consequently, no provision has been made against this receivable as of 31 March 2022. However, we have not been provided with sufficient appropriate audit evidence to support this conclusion. Accordingly, we were unable to verify the existence of this receivable or determine the extent of provision required, if any, against this balance. The audit report on the consolidated financial statements for the year ended 31 March 2021 was also disclaimed in respect of this matter.

**- Advance towards purchase of property**

As disclosed in note 8 to the consolidated financial statements, an amount of AED 295,722,144 (31 March 2021: AED 295,722,144) was advanced to a related party predominantly for the purchase of land in Dubai. As per management, the related party has undertaken to secure the amount by the assignment of properties to the Group with a fair value of not less than an equivalent amount. However, we have not been provided with sufficient appropriate audit evidence to support the recoverability of this amount and the assignment of properties in the name of the Group and the fair value of the assigned properties. Accordingly, we were unable to determine the extent of provision, if any, that is required against this advance. The audit report on the consolidated financial statements for the year ended 31 March 2021 was also disclaimed in respect of this matter.



## **Independent auditor's report (continued)**

**To the shareholders of Al Firdous Holdings (P.J.S.C.) (continued)**

**Report on the Audit of the Consolidated Financial Statements (continued)**

### **Material Uncertainty Related to Going Concern**

We draw attention to note 2 to these consolidated financial statements which indicates that the Group has incurred a net loss of AED 1,523,280 for the year ended 31 March 2022 (31 March 2021: AED 2,529,091) and has accumulated losses of AED 42,457,116 as at 31 March 2022 (31 March 2021: AED 40,933,836). As described in note 2, these events or conditions, the Group concluded that they cannot accurately predict its potential consequences, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Furthermore, licenses of the Company and its subsidiaries are expired and not renewed as of the date of these financial statements. Notwithstanding these facts, the consolidated financial statements of the Group have been prepared on a going concern basis as the Chairman, who is also a shareholder of the Group has resolved to provide the necessary financial support to the Group to enable it to continue its operations and meet its obligations as they fall due.

### **Other information**

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Independent auditor's report (continued)****To the shareholders of Al Firdous Holdings (P.J.S.C.) (continued)****Report on the Audit of the Consolidated Financial Statements (continued)****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

We were engaged to conduct our audit in accordance with International Standards on Auditing ("ISAs"). However, because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirement that are relevant to our audit of the consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code.

**Report on other legal and regulatory requirements**

Further, as required by the UAE Federal Law No. (2) of 2015, as amended, we report that, except for the matters referred to in the basis for disclaimer of opinion paragraphs:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the consolidated financial statements have been prepared and comply in all material respects, with the applicable provision of the UAE Federal Law No. (2) of 2015, as amended, and the Memorandum of Association of the Group;
3. the Group has maintained proper books of account;
4. the consolidated financial statements included in the Directors' report is consistent with the books of the Group;
5. the Group has not purchased or invested in any shares during the financial year ended 31 March 2022;
6. note 8 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
7. based on the information that has been available to us, nothing has come to our attention which causes us to believe that Group has contravened during the financial year ended 31 March 2022 any of the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended or its Memorandum of Association which could materially affect its activities or its financial position as at 31 March 2022; and
8. based on the information available to us, no social contributions were made during the year.

  
**GRANT THORNTON**

**Farouk Mohamed**  
**Registration No. 86**  
**Dubai, United Arab Emirates**  
**15 June 2022**



**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Consolidated statement of financial position**  
**As at 31 March 2022**

	Notes	2022 AED	2021 AED
<b>Non-current</b>			
Property and equipment	5	436,507	873,055
<b>Current</b>			
Other receivables	6	326,340	388,500
Receivable on sale of the investment	7	326,789,701	326,789,701
Amounts due from related parties	8	295,722,144	295,722,144
		<u>622,838,185</u>	<u>622,900,345</u>
<b>Total assets</b>		<u>623,274,692</u>	<u>623,773,400</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		4,206,615	4,206,615
Accumulated losses		(42,457,116)	(40,933,836)
<b>Total equity</b>		<u>562,644,144</u>	<u>564,167,424</u>
<b>Liabilities</b>			
<b>Non-current</b>			
Employee's end of service benefit		5,064	1,801
Amounts due to related parties	8	48,331,545	47,462,565
		<u>48,336,609</u>	<u>47,464,366</u>
<b>Current</b>			
Accounts payable		5,223,440	5,394,392
Other payables and accruals	9	7,070,499	6,747,218
		<u>12,293,939</u>	<u>12,141,610</u>
<b>Total liabilities</b>		<u>60,630,548</u>	<u>59,605,976</u>
<b>Total equity and liabilities</b>		<u>623,274,692</u>	<u>623,773,400</u>

These consolidated financial statements were approved by the Board of Directors on 15 June 2022 and signed on their behalf by:



**Sheikh Khaled Bin Zayed Al Nahyan**  
**Chairman**

The notes from 1 to 19 form an integral part of these consolidated financial statements.

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Consolidated statement of comprehensive income**  
**For the year ended 31 March 2022**

	Notes	2022 AED	2021 AED
Revenue		-	-
Cost of revenue		-	-
<b>Gross profit</b>		-	-
General and administrative expenses	10	(1,548,280)	(2,642,974)
Other Income		25,000	113,883
<b>Net loss for the year</b>		<b>(1,523,280)</b>	<b>(2,529,091)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,523,280)</b>	<b>(2,529,091)</b>
<b>Loss per share</b>	12	<b>(0.0025)</b>	<b>(0.0042)</b>

The notes from 1 to 19 form an integral part of these consolidated financial statements.

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Consolidated statement of changes in equity**  
**For the year ended 31 March 2022**

	Share capital AED	Additional paid in capital AED	Statutory reserve AED	Accumulated losses AED	Total equity AED
As at 1 April 2020	600,000,000	894,645	4,206,615	(38,404,745)	566,696,515
Total comprehensive loss for the year	-	-	-	(2,529,091)	(2,529,091)
Balance at 31 March 2021	600,000,000	894,645	4,206,615	(40,933,836)	564,167,424
Total comprehensive loss for the year	-	-	-	(1,523,280)	(1,523,280)
<b>Balance at 31 March 2022</b>	<b>600,000,000</b>	<b>894,645</b>	<b>4,206,615</b>	<b>(42,457,116)</b>	<b>562,644,144</b>

The notes from 1 to 19 form an integral part of these consolidated financial statements.

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Consolidated statement of cash flows**  
**For the year ended 31 March 2022**

	Notes	2022 AED	2021 AED
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		(1,523,280)	(2,529,091)
<i>Adjustments for non-cash transactions:</i>			
Depreciation of property and equipment	5	436,548	1,059,546
Provision for employees' end of service benefits		3,263	6,188
Gain on disposal of property and equipment		-	(37,143)
<i>Net changes in working capital:</i>			
Account receivable		-	100
Other receivables		62,160	(1,382)
Accounts payable		(170,952)	(394,698)
Other payables and accruals		323,281	522,302
Operating cashflows after working capital		(868,980)	(1,374,178)
Employees' end of service benefits paid		-	(10,050)
<b>Net cash used in operating activities</b>		<b>(868,980)</b>	<b>(1,384,228)</b>
<b>Cash flows from investing activity</b>			
Proceeds from disposal of property and equipment		-	37,143
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>37,143</b>
<b>Cash flows from financing activity</b>			
Amount due to related parties - net		868,980	1,346,042
<b>Net cash flows from financing activity</b>		<b>868,980</b>	<b>1,346,042</b>
<b>Net change in cash and cash equivalents</b>		<b>-</b>	<b>(1,043)</b>
Cash and cash equivalents, beginning of year		-	1,043
<b>Cash and cash equivalents, end of year</b>		<b>-</b>	<b>-</b>

The notes from 1 to 19 form an integral part of these consolidated financial statements.

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**1 Legal status and activity**

- (a) Al Firdous Holdings (P.J.S.C.) (the “Company”) is a public joint stock company registered on 1 July 1998 in Dubai, United Arab Emirates (UAE), according to Ministerial Decree Number 106 for the year 1998. The Company commenced its operation on 22 October 1998 under commercial license number 508397 issued by the Department of Economic Development of the Government of Dubai. The Company is registered on Dubai Financial Market, UAE. The principal activities of the group as per the trade licenses are Hajj and Umrah organising and documents clearing services.
- (b) The registered address of the Company is Al Sufouh Road, Jumeirah, P.O. Box 35000, Dubai, United Arab Emirates.
- (c) Up to 31 December 2008, the Company operated as the “Group” consisting of the Company and its 100% owned subsidiary; Al Firdous Group Co. Ltd. for Hotels, a company established in the Kingdom of Saudi Arabia (KSA) and involved in managing and operating hotels and restaurants in KSA and organizing Hajj and Umrah trips. With effect from 1 January 2009, the Company sold Al Firdous Group Co. Ltd for Hotels and its Islamic financing and investing assets with Al Massa Co. for Urban Development Jeddah, KSA (together referred as the “Investment Portfolio”) for a consideration of AED 326,789,701, see note 7.
- (d) Following are the subsidiaries, which are considered for the preparation of these consolidated financial statements on the basis of beneficial ownership:

Name of subsidiary	Beneficial ownership interest (%)		Name of sub-subsidiary	Beneficial ownership interest (%)	
	31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21
Yummy Chain Two L.L.C (e)	100	100	Bait Misk Restaurant LLC [(e)i]	100	100
			Mint Leaf Restaurant LLC [(e)ii]	100	100
			Omnia Gourmet Restaurant LLC [(e)ii]	100	100
			Omnia by Silvena Restaurant LLC [(e)iii]	100	100
			Yummy Chain Catering LLC [(e)iv]	100	100
Oasis Court Hotel Apartment (f)	100	100	-	-	-

- (e) Yummy Chain Two LLC was incorporated in Dubai, UAE on 31 December 2013. The principal activity of the subsidiary is operating as a restaurant in the Emirate of Dubai.
- i) Bait Misk Restaurant LLC was incorporated in Dubai, UAE on 22 April 2014. The principal activity of the sub-subsidiary is operating as a restaurant in the Emirate of Dubai.
- ii) Mint Leaf Restaurant LLC and Omnia Gourmet Restaurant LLC were incorporated in Dubai, UAE on 13 May 2014. The principal activity of the sub-subsidiaries is operating as a restaurant and coffee shop in the Emirate of Dubai.

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

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**1. Legal status and activity (continued)**

- iii) Omnia by Silvena Restaurant LLC was incorporated in Dubai, UAE on 17 June 2014. The principal activity of the sub-subsidiary is operating as a restaurant in the Emirate of Dubai.
- iv) Yummy Chain Catering LLC was incorporated in Dubai, UAE on 31 August 2014. The principal activity of the sub-subsidiary is managing and operating a restaurant in the Emirate of Dubai.

On 6 November 2019, the management has decided to cease the restaurant business operations of Yummy Chain Two LLC and its subsidiaries by passing a board resolution to stop losses from these operations.

- (f) Oasis Court Hotel Apartment was incorporated on 17 November 1997. The principal activity of the subsidiary is hotel Apartment rental in the Emirate of Dubai, with effect from 1 July 2010, the Company signed memorandum of understanding with Gulf Oasis Reality, a related party, to manage the Oasis Court Hotel Apartment located in Dubai, UAE. According to renewed memorandum of understanding dated 1 January 2013, the owner of Oasis Court Hotel Apartment is entitled to share equivalent to 30% of the total revenue. On 3 February 2015, the Company ceased to manage, operate and maintain the Oasis Court Hotel Apartment.
- (g) Shareholding in the above subsidiaries and sub-subsidiaries is legally held by other shareholders for the beneficial interest of the Group. The Group has exposure or right to variable returns and the ability to affect those returns through power over the investee. Therefore, these are effectively the subsidiaries and sub-subsidiaries of the Group.

**2 Basis of preparation**

**Statement of compliance**

These financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the UAE Federal Law No. (2) of 2015 (as amended by Federal Decree-Law No 26 of 2020).

Federal Law By Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 with an effective date of 2 January 2022, replaced Federal Law No. 2 of 2015 on Commercial Companies, as amended. The Company has twelve months from the effective date to comply with the provisions of the new Companies Law.

**Basis of measurement**

The consolidated financial statements are prepared under historical cost basis.

**Functional and presentation currency**

The consolidated financial statements have been prepared in Arab Emirates Dirham (AED), the functional currency and presentation currency of the Group.

**Basis of consolidation**

The Group’s financial statements consolidate the financial position and results of the Company and its subsidiaries as at and for the year ended 31 March 2022. Subsidiaries are all entities over which the Company has control. Control is presumed to exist when the Company:

**Al Firdous Holdings (P.J.S.C.)**  
**Consolidated Financial Statements**

**Notes to the consolidated financial statements**  
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**2 Basis of preparation (continued)**

**Basis of consolidation (Continued)**

- has power over the investee;
- is exposed, or has right, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of the subsidiaries are consolidated on a line-by-line basis from the date on which control is transferred to the Company and ceases from the date when the Company loses control of the subsidiary. All of the subsidiaries have a reporting date of March 31.

All transactions and balances between Group companies are eliminated in full on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

**Going concern**

When preparing the consolidated financial statements, management makes an assessment of the Group's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The Group has incurred a net loss of AED 1,523,280 for the year ended 31 March 2022 (31 March 2021: AED 2,529,091) and has accumulated losses of AED 42,457,116 as at 31 March 2022 (31 March 2021: AED 40,933,836). Based on the financial support available to the Group from its Chairman, the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements, which assumes that Group will be able to meet its liabilities for foreseeable future from the date of signing of the consolidated financial statements.

**Use of estimates and judgements**

The preparation of the consolidated financial statements in conformity with IFRS requires the Group to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates and underlying assumptions are continually evaluated. Based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances, revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected. The accounting estimates and judgements made in the course of preparing these consolidated financial statements are described in Note 4.10.

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**3 Standards, interpretations and amendments to existing standards**

**3.1 Standards, interpretations and amendments to existing standards that are effective for annual periods beginning on or after 1 January 2021**

The accounting policies adopted in the preparation of these financial statements are consistent with those used in the previous financial year, except for the adoption of new standards effective as of 1 Jan 2021. The Group has not early adopted any other standard, interpretations or amendment that has been issued but not yet effective.

**Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRA 7, IFRA 4 and IFRS 16**

The amendments provide temporarily relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedites:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporarily relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**Covid-19-Related Rent Concessions (Amendment to IFRS 16)**

On 28 May 2020, the IASB published Covid-19-Related Rent Concessions (Amendment to IFRS 16) amending the standard to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after 1 June 2020.

The Group reviewed the impact of the amendment and concluded that there is no impact of this amendment on the financial statements as there were no lease agreements entered into by the Group as a lessee.

Other amendments to IFRSs, which are effective for annual accounting period starting from 1 April 2021 did not have any material impact on the accounting policies, financial position or performance of the Group.

**3.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group**

The new and amended standards and interpretations that are issued, but not yet effective, up to date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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**3 Standards, interpretations and amendments to existing standards (continued)**

**3.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)**

**Amendments to IAS 1: Classification of Liabilities as Current and or Non-current**

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendment clarifies:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact of the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- IFRS 17 Insurance Contracts;
- Reference to Conceptual Framework (Amendments to IFRS 3);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter;
- IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities;
- IAS 41 Agriculture – Taxation in fair value measurements;
- Definition of Accounting Estimates (Amendments to IAS 8);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore the disclosures have not been made. However, whilst they do not affect these financial statements, they will impact some entities. An entity should assess the anticipated impact of these new standards and amendments on their financial statements based on their own facts and circumstances and make appropriate disclosures.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. Standards, interpretations and amendments not adopted in the current period other than the ones mentioned above have not been disclosed as they are not expected to have a material impact on the Group’s financial statements.

**4 Summary of significant accounting policies**

**4.1 Overall consideration**

These consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below and are consistent with those used in prior year.

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**4 Summary of significant accounting policies (continued)**

**4.2 Property and equipment**

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Property and equipment are carried at acquisition cost less accumulated depreciation and impairment. Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is recognised on a straight-line basis to write down property and equipment to its residual value. The following useful lives are applied:

- Leasehold improvements 5 years
- Equipment and other assets 6-8 years
- Furniture and fixtures 5-8 years

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income.

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Cost and accumulated depreciation values of fully depreciated items of property and equipment which are still being used in operations are not removed from the accounts until these are retired or disposed of.

**4.3 Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset has expired, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

**Financial assets**

**Recognition and measurement**

All financial assets are recognised on trade date when the purchase of a financial asset is made under contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

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**4 Summary of significant accounting policies (continued)**

**4.3 Financial instruments (continued)**

**Financial assets (continued)**

**Recognition and measurement (continued)**

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest.

**Classification of financial assets**

A financial asset is classified as measured: at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) depending upon the business model assessment by the management. Considering the business model adopted for the existing financial assets, the Group only has financial assets measured at amortised cost. A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Group's financial assets include other receivables, amounts due from related parties and receivable on sale of the investment.

**Business model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

**Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as interest rate.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

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**4 Summary of significant accounting policies (continued)**

**4.3 Financial instruments (continued)**

**Financial assets (continued)**

**Impairment**

The Group recognises allowance for impairment for expected credit losses (ECL) on financial assets measured at amortised cost. The Group measures allowance for impairment at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL is measured.

**Measurement of ECL**

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
- undrawn finance commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For receivable on the sale of investment and receivable from related party, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

**Write-off**

Assets carried at amortised cost are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group has exhausted all legal and remedial efforts to recover from the customers. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**Presentation of impairment**

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Derecognition of financial assets**

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

- The rights to receive cash flows from the asset have expired,
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement,
- The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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**4 Summary of significant accounting policies (continued)**

**4.3 Financial instruments (continued)**

**Financial assets (continued)**

**Derecognition of financial assets (continued)**

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

The carrying amounts of Group's financial assets carried at amortised cost and non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

**Financial liabilities**

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. The Group does not have any financial liabilities measured at FVTPL. All interest-related charges are included within finance costs or finance income. The Group's financial liabilities include other payables and accruals, due to related parties and accounts payable.

**4.4 Fair value measurement**

The Group discloses the fair value of financial instruments measured at amortised cost. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

**4.5 Equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Share capital represents the nominal value of shares that have been issued. Shareholder's current account is interest free, unsecured and receivable on demand. Retained earnings include all current and prior period retained profits and losses.

**4.6 Employee's end of service benefit**

A provision for employee's end of service benefit is made for the full amount due to employee for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law and is reported as separate line item under non-current liabilities.

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**4 Summary of significant accounting policies (continued)**

**4.6 Employee's end of service benefit (continued)**

**Short-term employee benefits**

The costs of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care) are recognised in the year in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense when the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

A provision for employee's end of service benefits is made for the full amount due to employees for their years of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liability.

The provision for staff terminal benefit is based on the liability that would arise if the employment of all the employees was terminated at the end of the reporting year.

**4.7 Provisions and contingent liabilities**

Provisions are recognised in the statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources, as a result of present obligations, is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

**4.8 Operating expenses**

Operating expenses comprise of selling, marketing and administrative expenses which are recognised in profit or loss upon utilisation of the service or at the date of their origin.

**4.9 Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

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**4 Summary of significant accounting policies (continued)**

**4.10 Key sources of judgement and estimation uncertainty**

In preparing the consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results. Estimates and underlying assumptions are reviewed on an on-going basis. Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

**Impairment of financial assets**

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Determination and measurement of useful lives of property and equipment**

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The carrying amounts are analysed in note 5. Actual results, however, may vary due to technical obsolescence, particularly relating to computers, and may cause minor adjustments to the Group's assets within the next financial year.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives would increase the recorded depreciation expense and decrease the carrying value of the related assets. Residual values are not considered as they are deemed immaterial.

**5 Property and equipment**

	Leasehold improvement AED	Equipment and other assets AED	Furniture and fixture AED	Total AED
<b>Cost</b>				
Balance at 1 April 2021	12,828,779	9,879,448	2,766,269	25,474,496
Disposal during the year	-	-	-	-
Balance at 31 March 2022	12,828,779	9,879,448	2,766,269	25,474,496
<b>Accumulated depreciation</b>				
Balance at 1 April 2021	12,828,779	9,006,393	2,766,269	24,601,441
Charge for the year (note 10)	-	436,548	-	436,548
Disposals during the year	-	-	-	-
Balance at 31 March 2022	12,828,779	9,442,941	2,766,269	25,037,989
<b>Net Carrying amount at 31 March 2022</b>	-	436,507	-	436,507

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**5 Property and equipment (continued)**

	Leasehold improvement	Equipment and other assets	Furniture and fixture	Total
	AED	AED	AED	AED
<b>Cost</b>				
Balance at 1 April 2020	12,828,779	10,011,496	2,766,269	25,606,544
Disposal during the year	-	(132,048)	-	(132,048)
Balance at 31 March 2021	<u>12,828,779</u>	<u>9,879,448</u>	<u>2,766,269</u>	<u>25,474,496</u>
<b>Accumulated depreciation</b>				
Balance at 1 April 2020	12,205,779	8,701,895	2,766,269	23,673,943
Charge for the year (note 11)	623,000	436,546	-	1,059,546
Disposals during the year	-	(132,048)	-	(132,048)
Balance at 31 March 2021	<u>12,828,779</u>	<u>9,006,393</u>	<u>2,766,269</u>	<u>24,601,441</u>
<b>Net Carrying amount at 31 March 2021</b>	<u>-</u>	<u>873,055</u>	<u>-</u>	<u>873,055</u>

As per management's assessment, there has been no impairment in the carrying value of property and equipment

**6 Other receivables**

	2022	2021
	AED	AED
Prepaid expenses	114,190	176,351
Advances to suppliers	4,337	4,337
Refundable deposits	34,000	34,000
Other receivables	<u>173,813</u>	<u>173,812</u>
	<u>326,340</u>	<u>388,500</u>

**7 Receivable on sale of investment**

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on the sale of the Al Firdous Group Co. Ltd. For Hotels; a wholly owned subsidiary of the Group, and its Islamic financing and investing assets with Al Masaa Co. for Urban Development (together, the "Investment Portfolio") on 1 January 2009.

As per management, on 29 June 2009, the Group signed an agreement with Islamic Arab Insurance Co., Labuan Malaysia in which the parties agreed to reschedule the outstanding receivable of AED 326,789,701 into instalments that were 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 Group, 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 consolidated financial statements. As per management, negotiations are being held with Islamic Arab Insurance Co., Labuan for an early resolution to this matter. The Board of Directors consider that the amount will be recovered in full on the eventual disposal of the investment Portfolio and, accordingly, the Group has not made any provision against this receivable.

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**8 Related parties**

The Group in the normal course of business carries on business with other entities that fall within the definition of related party in accordance with IAS 24 'Related Party Disclosures'.

For the purpose of these consolidated financial statements, entities are considered to be related to the Group or the Group if the Group or the Group has the ability, directly or indirectly, to exercise significant influence over the entities in making financial and operating decisions, or vice versa, or where the Group or the Group are subject to common control or significant influence.

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

Details of related party transactions entered into during the year are set out below. These transactions have been carried out at terms mutually agreed between the related parties and as approved by the Group management. The amounts due from/to related parties do not attract interest and there are no defined repayment arrangements.

**Amounts due from related parties**

	2022	2021
	AED	AED
<i>Entities under common control</i>		
Bin Zayed Group <sup>(1)</sup>	<u>295,722,144</u>	<u>295,722,144</u>

<sup>(1)</sup> Amount due from Bin Zayed Group of AED 295,722,144 (31 March 2021: AED 295,722,144) includes advance towards purchase of property of AED 289,939,984 (31 March 2021: AED 289,939,984) which represents payment made for the purchase of land in the Emirate of Dubai.

As per management, Bin Zayed Group has undertaken to secure the total balance owed by them amounting to AED 295,722,144 (31 March 2021: AED 295,722,144) by the assignment of its properties with a fair value of not less than an equivalent amount due to the Group.

**Amounts due to related parties**

	2022	2021
	AED	AED
Directors' fee payable	600,000	600,000
<i>Entities under common control</i>		
Bin Zayed Investment LLC	22,052,213	22,052,213
Bin Zayed International LLC	277,081	-
Gulf Oasis Realty	8,783,176	8,783,176
Omnia Baharat Restaurant LLC	6,613,181	6,613,548
Bin Zayed Contracting Co. LLC	5,886,099	5,293,833
Maiadien Building Materials Trading LLC	3,316,686	3,316,686
Omnia Food Trading LLC	651,802	651,802
Omnia Glow Restaurant	151,307	151,307
	<u>47,731,545</u>	<u>46,862,565</u>
	<u>48,331,545</u>	<u>47,462,565</u>

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**9 Other payables and accruals**

	2022	2021
	AED	AED
Accrued expenses	4,174,735	3,647,685
Advances	2,007,079	2,007,079
Staff salaries and benefits payable	760,896	967,414
Others	127,789	125,040
	<u>7,070,499</u>	<u>6,747,218</u>

**10 General and administrative expenses**

	2022	2021
	AED	AED
Staff cost (note 10.1)	76,213	120,105
Rent	807,357	965,009
Depreciation of property and equipment (note 5)	436,548	1,059,545
Other expenses	228,162	498,315
	<u>1,548,280</u>	<u>2,642,974</u>

**10.1 Staff cost**

	2022	2021
	AED	AED
Number of staff at year end	<u>1</u>	<u>1</u>
Salaries and related cost	63,668	94,538
Leave and gratuity	9,282	9,215
Other costs	3,263	16,352
	<u>76,213</u>	<u>120,105</u>

**11 Share capital**

The share capital of the Group consists of 600,000,000 fully paid ordinary shares (2021: 600,000,000 fully paid ordinary shares) with a par value of AED 1 each.

	2022	2021
	AED	AED
Authorized, issued, subscribed and paid up share capital	600,000,000	600,000,000
Additional paid up capital	894,645	894,645
	<u>600,894,645</u>	<u>600,894,645</u>

**12 Loss per share**

	2022	2021
	AED	AED
Net loss for the year	<u>(1,523,280)</u>	<u>(2,529,091)</u>
Weighted average number of ordinary shares for purposes of basic earnings	<u>600,000,000</u>	<u>600,000,000</u>
Loss per share	<u>(0.0025)</u>	<u>(0.0042)</u>

The Group does not have any instruments which have a dilutive impact on loss per share when exercised.

**Al Firdous Holdings (P.J.S.C.)**  
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**13 Financial instrument risk**

**Risk management objectives and policies**

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

**13.1 Market risk**

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

**Foreign currencies risk**

Foreign currencies risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Company's transactions are carried out in AED, the Company's reporting and functional currency. The impact of the risk exposure is considered by management to be minimal.

**interest rate risk**

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

**13.2 Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

<b>Classes of financial assets – carrying amounts:</b>	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
Other receivables	326,340	388,500
Receivable on sale of the investment portfolio	326,789,701	326,789,701
Amounts due from related parties	295,722,144	295,722,144
	<b>622,838,185</b>	<b>622,900,345</b>

**13.3 Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

<b>As at 31 March 2022</b>	<b>Within 6-12 months</b>	<b>More than 12 months</b>
	<b>AED</b>	<b>AED</b>
Account payables	5,223,440	-
Other payables and provision	7,070,499	-
Due to related parties	-	48,331,545
	<b>12,293,939</b>	<b>48,331,545</b>

**Al Firdous Holdings (P.J.S.C.)**  
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**13 Financial instrument risk (continued)**

**13.3 Liquidity risk (continued)**

As at 31 March 2021	Within 6-12 months AED	More than 12 months AED
Account payables	5,394,392	-
Other payables and provision	6,747,218	-
Due to related parties	-	47,462,565
	<u>12,141,610</u>	<u>47,462,565</u>

**14 Capital management policies and procedures**

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to provide an adequate return and benefits to the shareholders; and
- to maintain an optimal capital structure to reduce cost of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of share capital and accumulated losses as disclosed in the statement of financial position.

**15 Fair value measurement**

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Group include other receivables (excluding prepaid expenses, if any), receivable on sale of the investment and amounts due from related parties. Financial liabilities of the Group include accounts payable, other payables and accruals and amounts due to related parties.

All the financial assets and liabilities of the Group are carried at amortised cost and none of the non-financial assets and liabilities have been fair valued. Therefore, the fair value hierarchy disclosure which requires a three-level category of fair value is not disclosed because it does not have significant disclosure impact to the consolidated financial statements. As at year end, management considers that the carrying amounts of financial assets and financial liabilities approximates to their fair values.

**16 Contingencies and commitments**

The Group has no contingent liabilities or commitments as at the reporting date (31 March 2021: Nil).

**17 General assembly of shareholders**

The ordinary general assembly of shareholders was held on 15 July 2021 who approved the consolidated financial statements for the year ended 31 March 2021.

The consolidated financial statements were approved by the Board of Directors and signed for issuance on 15 June 2022.

**18 Post-reporting date events**

No significant, non-adjusting or adjusting events have occurred between the reporting date and the date of authorisation of these consolidated financial statements.

**Al Firdous Holdings (P.J.S.C.)**  
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**19 Reclassifications of comparatives in the financial statements**

Certain comparative amount in the consolidated financial statements have been reclassified to conform to the presentation adopted in the financial statements for the year ended 31 March 2021.

- In the statement of cashflows, “Amount due to related parties–net” amounting to AED 1,346,042 included in operating activities in prior year has been reclassified to financing activity to achieve fair presentation.
- In the statement of financial position, “Amount due to related parties” amounting to AED 47,462,565 included as current liabilities in prior year has been reclassified to non-current liabilities to achieve fair presentation.

**Al Firdous Company P.J.S.C**

**Governance Report for the Financial Year ended on  
March 31, 2022**

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

**Governance Report for the Financial Year ended on March 31, 2022**

**Dear valued shareholders,**

Out of the commitment of the Board of Directors of Al Firdous Holding P.J.S.C and based on the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/C.C) of 2016 on the institutional discipline standards and corporate governance of the public joint stock companies, and believing in the importance of applying this Resolution due to its effective impact on developing the Company's performance and protecting the rights of shareholders and stakeholders in particular, as well as the Company's contribution with other companies and official supervisory authorities in providing a transparent and fair work environment in the market and the Country in general.

We hereby provide our report on the governance of Al Firdous Holding P.J.S.C for the financial year ended on March 31, 2022.

It is worth mentioning that the time of issuance of this report is based on the letter no. EE/KH/2699/2009/A.B issued by Securities and Commodities Authority on 31/12/2009, which provided for that: **“Accordingly, Al Firdous Company shall provide the governance report along with its annual estimation within the legal periods set for submission of the annual report”**.

In addition, this report has been prepared according to the regulations indicated in the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, and in accordance with a governance report form for 2016 approved by the Authority.

This report will be available and published for all Company's shareholders within ample time prior to the General Assembly's meeting date via the internet on the website of the Securities and Commodities Authority, Dubai Stock Exchange and the Company's official website ([www.alfirdouspjsc.com](http://www.alfirdouspjsc.com)), so that the information and data of interest to the shareholders, stakeholders and investors will be accessible to all, which will enhance the governance requirements.



**Chairman of the Board**

## **1- Statement of procedures taken to complete the corporate governance system, during 2021/2022, and method of implementing thereof:**

### A- Preparation of the evidences and the procedural rules:

The Company accomplished the following according to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 on the institutional discipline standards and corporate governance of the public joint stock companies:

- 1- Preparation of the procedural rules guide for the governance of Al Firdous Company, which includes all regulations, standards and procedures the companies must comply with to achieve the institutional discipline in managing the Company in accordance with the international standards and styles and determining responsibilities and duties of the members of the Board of Directors and the Executive Administration of the Company, taking into account the protection of the rights of the shareholders and stakeholders.
- 2- Following the professional Code of Conduct of Al Firdous Company.

### B- Resolutions of the Board of Directors related to the Governance:

The Board of Directors (elected in the Ordinary General Assembly of the shareholders of Al Firdous Company held on 23.07.2020) took governance related procedures and resolutions in its meeting convened on 12.08.2021 , 11.11.2021, 10.02.2022 ,15.06.2022 as follows:

- Forming the Audit Committee and Follow up & Remunerations Committee and determining the competence and authorities of each Committee.
- Establishing the Internal Control Department, appointing of a head of such Department and determining his authorities, and incorporating it into the organizational structure of the Company.
- Approving and issuing a statement of the rules and procedures governing the transactions of the members of the Board of Directors of Al Firdous Company (PJSC) and its employees as to the securities issued by the Company, the Parent Company, the Affiliated Company or the Sister Company.
- Approving the professional code of conduct of Al Firdous Company.
- Approving the procedural rules of the governance of Al Firdous Company.
- Approving the formation of the Nominations & Remunerations Committee and determining the competence and authorities of each Committee.
- Electing the Chairman of the Board and his deputy through the secret voting.
- Informing the members of the obligations of the Executive and Non-Executive member of the Board of Directors according to Article (11) of the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016.
- Periodically reviewing of the responsibilities of the Chairman of the Board of Directors and the tasks provided for in Article (42) of the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/ R.M) of 2016.
- Following up the work of the Internal Control Department and reviewing its reports.

## **2- Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2021/2022, according to the following schedule:**

- A- Members of the Board of Directors, employees of the company and their relatives of first degree (wife and sons) did not engage in the securities during the financial year ended on 31/03/2022.
- B- Neither of the members of the Board of Directors nor their spouses and sons have any shares in the Company, and they do not have any transactions pertaining to the securities of the Company during 2021/2022, except for the members mentioned below in the following schedule:
- C- **Statement of the title and transactions of the members of the Board and their spouses and sons in the securities of the Company during 2021/ 2022 is as per the following schedule:**

Ser.	Name	Position/ Kinship Degree	The Shares owned as on 31/03/2022	Total Sale Operation	Total Purchase Operation
1	<b>Shk. Khaled Bin Zayed S. Al Nahyan</b>	Chairman of the Board of Directors – Owns along with his daughters “Sheikha Fatima & Sheikha Somaya Khaled Al Nahyan, on an equal basis, Al Heer Oasis General Trading Company that owns shares in Al Firdous Company.	Total shares of Al Heer Oasis is 30.61%	Nil	Nil
2	<b>Shk. Khaled Bin Zayed S. Al Nahyan</b>	Chairman of the Board of Directors – Owns along with his son “Sheikh Ahmed Bin Khalid Al Nahyan, on a 50-50 basis, Al Ain Holding Company that owns shares in Al Firdous Company.	Total shares of Al Ain Holding is 14.32%	Nil	Nil
3	<b>Shk. Khaled Bin Zayed S. Al Nahyan</b>	Chairman of the Board of Directors – Owns along with his daughter “Sheikha Hamda Khalid Al Nahyan, on a 50-50 basis, Al Wajna Holding Company that owns shares in Al Firdous Company.	Total shares of Al Wajna is 8.46%	Nil	Nil
4	<b>Shk. Khaled Bin Zayed S. Al Nahyan</b>	Chairman of the Board of Directors – Owns along with his daughter “Sheikha Somaya Khaled Al Nahyan, on a 50-50 basis, Diba Holding Company that owns shares in Al Firdous Company.	Total shares of Diba Holding is 8.46%	Nil	Nil
5	<b>Shk. Khaled Bin Zayed S. Al Nahyan</b>	Chairman of the Board of Directors – personally owns shares in Al Firdous Company directly.	5.59%	Nil	Nil

## **3- Board Formation:**

According to the Company’s Memorandum of Association, the Board of Directors is formed of seven members to be elected by the Ordinary General Assembly by the accumulative voting every 3 years.

The current Board of directors has been elected in the Ordinary General Assembly’s meeting convened on 23/07/2020, for three years.

**A- Statement of formation of the current Board of members according to the following schedule:**

Ser.	Name	Membership Category	Experiences	Qualifications	Membership term from the date of first election	Membership in other joint stock companies in the state	Positions in any critical supervisory, governmental or commercial offices
1	<b>Sheikh/ Khaled Bin Zayed Bin Saqr Al Nahyan</b>	Non-Executive Non-Independent	Manages and chairs several companies	Bachelor's degree in Business Administration from Boston University. PhD in Financial Affairs at Michigan State University.	Since 30/10/2002	Nil	Chairman and founder of Bin Zayed Group
2	<b>Mr. Saeed Khalifa Al Rumaithi</b>	Non-Executive Non-Independent	Manages and chairs several companies	Bachelor of Education and Psychology, United Arab Emirates University.	Since the foundation in June 1998	Nil	Nil
3	<b>Sheikh Zeyab Sultan Al Nahyan</b>	Non-Executive Independent	Businessman	University qualification	Since 27/07/2011	Nil	Nil
4	<b>Mr. Adel Ahmed Khalifa Mohammed Al Falasi</b>	Non-Executive Independent	An advisor in the Prime Minister's Office	High diploma in the industrial electronics from the Higher Colleges of Technology, and currently enrolled in the postgraduate studies in business administration in Scotland.	Since 27/07/2011	Nil	
5	<b>Mr. Sheikh Midhat Kameel Kidawi</b>	Non-Executive Independent	General Manager of Bin Zayed Group with multiple experiences in the fields of business administration, real estate and investment.	Master's degree of Business Administration.	Since 23.06.2019	Nil	Nil
6	<b>Sheikh Khalifa Khaled Bin Zayed Al Nahyan</b>	Non-Executive Independent	Director of Bin Zayed Energy Company, previously worked in risk management at Emirates Aluminum Company.	Bachelor degree in Business Administration.	Since 12/07/2019	Nil	Nil
7	<b>Sheikh Ahmed Khaled Bin Zayed Al Nahyan</b>	Non-Executive Independent	Analysts at a consulting firm	BA in International Relations from the American University of Sharjah	Since 23.07.2020	Nil	Nil

**B- Statement of the female representation percentage in the Board of Directors for the year 2021/2022:**

Following the resignation of Mrs. Lubna Qasim from the membership of the Board during 2019, there is no longer any percentage of representation for the females in the Board of Directors, but the Board will discuss the entry of one female as an alternative as soon as possible.

**C- Statement of the reasons for absence of any female for the membership of the Board of Directors: No female applied.****D- Statement of the total remunerations paid to the members of the Board of Directors during 2021/2022:**

- 1- There are no remunerations for the members of the Board of Directors for the financial year ended on 31/03/2022, and no remunerations were released for the past year ended on 31/03/2021, and the Board of Directors did not provide any proposal in this regard to the General Assembly according to the applicable regulations and laws.
- 2- **The total remunerations of the members of the Board of Directors proposed for the year 2021/2022:**
  - The Board of Directors will not provide any proposal to the General Assembly regarding the release of remunerations for the members of the Board of Directors.
  - The Board of Directors decided on 15.06.2022 after discussing the recommendation of the Nominations & Remunerations Committee not to release any attendance allowances related to the meetings of the Board or the Committees emanated from the Board, as these Committees convene their meetings before the time of the Board of Directors' meetings on the same days.
- 3- **Statement of the details of the attendance allowances of the sessions of the Committees emanated from the Board, which the members of the Board of Directors received for the financial year 2021/2022:**

No attendance allowances were released for the meetings of the Committees emanated from the Board as these Committees hold their meetings before the time of the Board of Directors' meetings on the same days.
- 4- **Details of the additional allowances, salaries or fees received by a member of the Board of Directors other than the attendance allowances of the Committees and their reasons:** no additional allowances, salaries or fees were released to the members of the Board.
- E- **Number of the Board meetings held during the financial year 2021/2022 and their dates, number of the personal attendance of all members and the members attended through a proxy:**

The Board of Directors convened (4) four meetings during the financial year ended on March 31, 2022 as follows:

  - 1) On 12.08.2021.
  - 2) On 11.11.2021.
  - 3) On 10.02.2022.
  - 4) On 15.06.2022.

Number of the in person attendance of all members was as follows:

Ser.	Name of the Member & Position	Number of the Meetings attended
1	Sheikh/ Khalid Bin Zayed Bin Saqr Al Nahyan	4
2	Mr/ Saed Khalifa Al Rumaithi	4
3	Sheikh/ Ahmed Khaled Bin Zayed Al Nahyan	4
4	Sheikh/ Zeyab Sultan Al Nahyan	4
5	Mr/ Adel Ahmed Khalifa Mohammed Al Falasi	4
6	Sheikh/ Khalifa Khaled Bin Zayed Al Nahyan	4
7	Mr. Sheikh Midhat Kidawi	4

**F- Number of the Board resolutions passed, along with its meeting convention during year 2021/2022 and their dates:**

There were no by-passing resolutions during the meetings.

**G- Statement of Board duties and powers exercised by Board members or the executive management members during 2022 based on the authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:**

The Board of Directors, through the Resolutions taken in its meetings during the financial year ended on March 31,2022, exercises all tasks and competences on behalf of the Company as to implementation of the Company's strategies, works of the Company's senior management, representation of the Company in signing documents and contracts with the Ministry of Labor, Department of Naturalization and Residence, Department of Economic Development, Chamber of Commerce & Industry in Dubai, Ministry of Economy and Securities and Commodities Authority and signing lease contracts and renewing them along with all relevant documents.

The Board issued the authorization as per the following schedule:

Ser.	Name of the Authorized Person	Authorization Authority	Period of Authorization
1	Authorizing Sheikh/ Khalid Bin Zayed Bin Saqr Al Nahyan – Chairman of the Board of Directors	Signing on behalf of the Company on the quarterly and annual financial statements of the Company for the financial year ended on March 31, 2022 and disclosing them as duly applicable and calling for the General Assembly.	The validity of such authorization extends until the end of the financial year as of march 31, 2022

**H- Statement of the details of transactions made with the related parties (Stakeholders) during 2021/2022, provided that it shall include the following:**

For the purpose of this consolidated financial statements, entities are considered to be related to the Company or the Group if the Company or the Group has the ability, directly or indirectly, to exercise significant influence over the entities in making financial and operating decisions, or vice versa, or where the Company or the Group are subject to common control or significant influence.

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Details of related parties' transactions are as follows:

**1- Due from related party:**

Description	March 31, 2022	March 31, 2021
Due from related party	295,722,144	295,722,144

Amount due from Bin Zayed Group of AED 295,722,144 (March 31, 2021: AED 295,722,144) includes advance towards purchase of property of AED 289,939,984 (March 31, 2021: AED 289,939,984) which represents payment made for the purchase of land in the Emirate of Dubai.

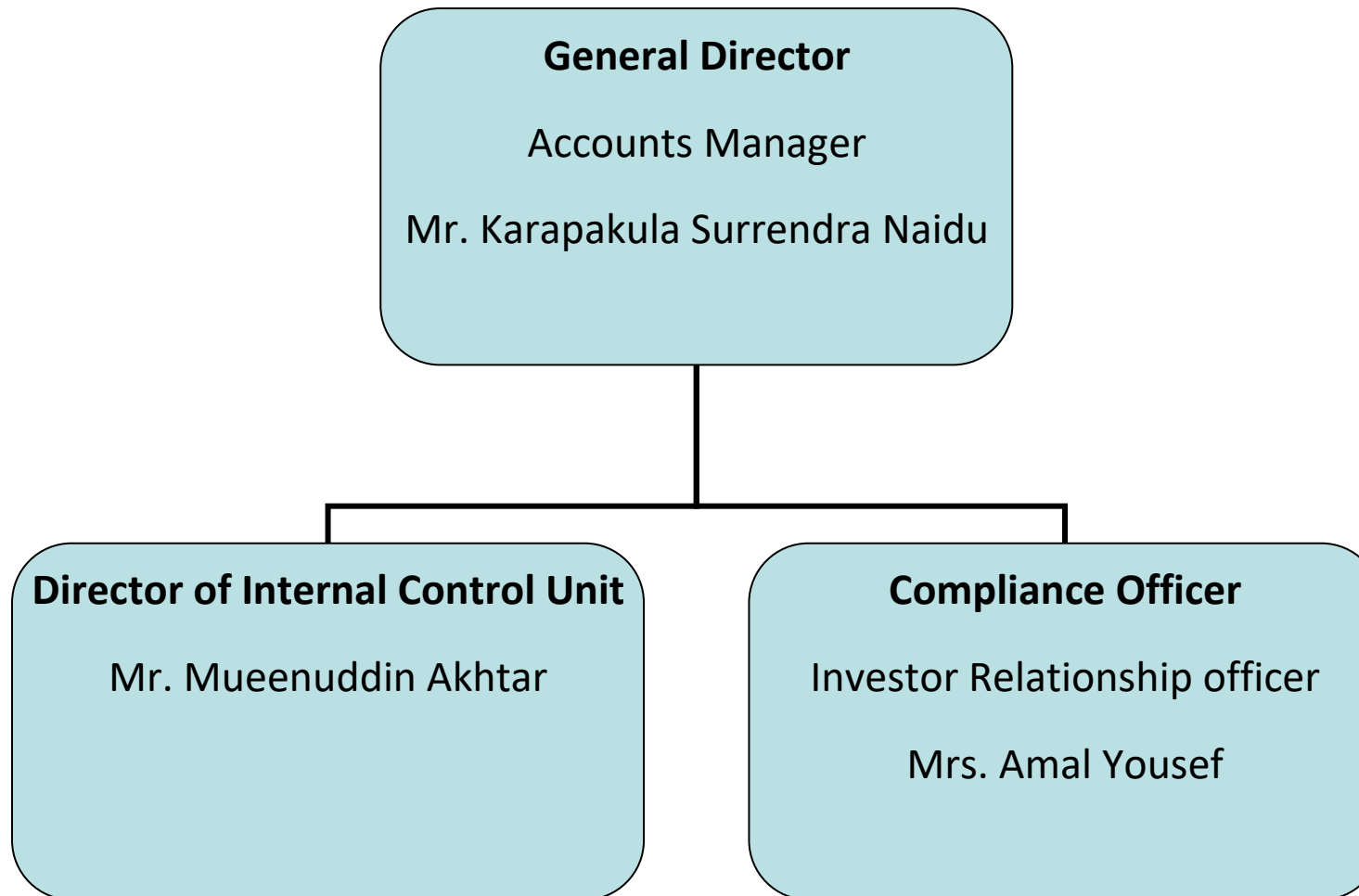
As per management, Bin Zayed Group has undertaken to secure the total balance owed by them amounting to AED 295,722,144 (March 31, 2021: AED 295,722,144) by the assignment of its properties with a fair value of not less than the amount due to the Company.

**2- Due to related party:**

Description	March 31, 2022	March 31, 2021
Directors' fee payable	600,000	600,000
Amounts due to entities under common control	47,731,545	46,862,565
Total	48,331,545	47,462,565

Note: The Company did not enter any new transactions during 2021/2022, which equal 5% or more of the Company's capital regardless of whether these transactions have been made with related parties or not.

**I- The Organizational Structure of the Company:**



**J- Senior Executive Employees in the Company, their jobs, dates of appointment and total salaries and remunerations paid to them:**

Ser.	Name	Job	Date of Appointment	Salaries and housing value for one year/ AED	Total remunerations paid for the year of 2021 (Bonuses)	Any other cash/ in-kind remunerations of 2022 or will fall due in the future
1	Mr. Karapakula Surrendra Naidu	General Director/ Accounts Manager	10.09.2020	162,000	-	-
2	Mrs. Amal Yousef	Compliance Officer/ Shareholder Relations Officer	13/08/2016	100,000	-	-
3	Mr. Mueenuddin Akhtar	Audit & Accounts Manager	22/11/2015	156,000	-	-

**4. The External Auditor:****A. A brief of the Company's Auditor for the Shareholders:**

Grant Thornton Audit and Accounting (Dubai Branch) founded in 1966, and provides services in: auditing, tax services, transactions and consulting of all kinds. It has opened its offices in the United Arab Emirates in 1966, and significantly strengthened its position through its specialized employees with high experience and qualifications.

**B. Fees of the External Auditor:**

<b>Name of the Audit Office – Name of Partner Auditor</b>	Grant Thornton Audit and Accounting (Dubai Branch) - Farouk Mohamed
<b>Nos. of years spent as an external auditor of the Company</b>	2 years
<b>Total audit fees for the financial year ended on March 31, 2022 (AED)</b>	50,000
<b>Fees and costs of the other special services other than auditing the financial statements for the financial year ended on March 31, 2022 (AED)</b>	Nil
<b>Details and nature of the other services provided</b>	Nil
<b>A statement of the other services performed by <u>another external auditor other than the Company's auditor during 2021/2022</u></b>	No agreement was made with any other external auditor other than the Company's auditor

**C. The Notes included by the Company's Auditors in the progressive and annual financial statements for the year of 2021/2022:**

We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, accordingly, we do not express an opinion on the consolidated financial statements of the group.

We have been appointed to audit the consolidated financial statements of Al Firdous Company (PJSC) and its affiliate (the "Group"), which include the consolidated statement of financial position as in March 31, 2022, statement of profit and loss, consolidated statement of other comprehensive revenue, consolidated statement of changes in the equities and consolidated statement of cash flows for the year ended on the same date, as well as the notes including a summary of the critical accounting policies. Due to the importance of the matters provided for in the paragraphs pertaining to the non-expression of the opinion below, we could not obtain adequate and sufficient audit evidences to serve as a basis of our opinion on the audit of the consolidated financial statements. Accordingly, we do not express our opinion on the consolidated financial statements of the Group.

**Basis of non-expression of the opinion**

**A) Receivables from the sale of the investment portfolio**

As disclosed in note 7 to the consolidated financial information, an amount of AED 326,789,701 (March 31, 2021: AED 326,789,701) is due from Islamic Arab Insurance Co, Labuan, Malaysia being the consideration for the sale of the Company's wholly owned subsidiary, Al Firdous Group Co Ltd for Hotels, and the Company's Islamic Investing and financing assets, together referred to as the "Investment Portfolio". As per management, this amount was to be settled by March 31, 2011 but is still outstanding as of the date of this consolidated financial information. Based on negotiations held with Islamic Arab Insurance Co. Labuan, Malaysia, the Board of Directors consider this amount to be recoverable in full on the eventual disposal of the assets by Islamic Arab Insurance Co, Labuan, Malaysia. Consequently, no provision has been made against this receivable as of December 31, 2022. However, we have not been provided with sufficient and appropriate audit evidence to support this opinion. Accordingly, we were unable to verify the existence of this receivable or determine the extent of provision required, if any, against this balance. The audit report on the consolidated financial statements for the year ended March 31, 2021 was also disclaimed in respect of this matter.

**B) Advance payments against purchase of a property**

As disclosed in note 8 to the consolidated financial information, an amount of AED 295,722,144 (March 31, 2021: AED 295,722,144) was advanced to a related party predominantly for the purchase of land in Dubai. As per management, the related party has undertaken to secure the amount by the assignment of properties to the Company with a fair value of not less than an equivalent amount. However, to date of this consolidated financial information, we have not been provided with sufficient and appropriate audit evidence to support the recoverability of this amount and the assignment of properties in the name of the Company and the fair value of the assigned properties. Accordingly, we were unable to determine the extent of provision, if any, that is required against this advance. The audit report on the consolidated financial statements for the year ended March 31, 2021 was also disclaimed in respect of this matter.

### C) Material Uncertainty Related to Going Concern

We draw attention to Note 2 to this consolidated financial information which indicates that the Group has incurred a net loss of AED 1,523,280 for the year ended March 31, 2022 (March 31, 2022: AED 2,529,091 restated) and has accumulated losses of AED 42,457,116 as at March 31, 2021 (March 31, 2021: AED 40,933,836). As described in note 2, these events or conditions, the Group concluded that they cannot accurately predict its potential consequences, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Furthermore, licenses of the Company and its subsidiaries are expired and not renewed as of the date of these financial statements. Notwithstanding these facts, the consolidated financial statements of the Group have been prepared on a going concern basis as the Chairman, who is also a shareholder of the Group has resolved to provide the necessary financial support to the Group to enable it to continue its operations and meet its obligations as they fall due. Our opinion is not modified in respect of this matter.

## **5-The Audit Committee:**

A) Mr. Adel Ahmed Khalifa Al Falasi, Head of the Audit Committee, acknowledges his responsibility for the Committee's system in the Company and for reviewing its mechanism of work and ensuring its effectiveness.

### **B) Names of the members of the Audit Committee, its terms of reference and the tasks assigned thereto:**

The Audit Committee consists of three non-executive and independent members of the Board of Directors only, most of them are independent members, i.e.:

1- Mr. Adel Ahmed Khalifa Al Falasi	Non-Executive/ Independent	Chairman
2- Mr. Sheikh Midhat Kidawi	Non-Executive/ Independent	Member
3- Sheikh/ Khalifa Bin Zayed	Non-Executive/ Independent	Member

### **C) Meetings of the Audit Committee:**

1- According to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, the Audit Committee convened 4 meetings during the financial year ended on March 31, 2022 as follows: 12.08.2021 ,11.11.2021, 10.02.2022, 15.06.2022

2- The number of personal attendance times of all members was as follows:

Ser.	Member Name	Position in the Committee	Meeting attendance times
1-	Adel Ahmed Khalifa Al Falasi	Chairman	4 times
2-	Mr. Sheikh Midhat Kidawi	Member	4 times
3-	Sheikh/ Khalifa Khalid Ben Zayed	Member	4 times

## **6-Nomination and Remuneration Committee:**

A) Mr. Saeed Khalifa Al Rumaithi, Head of the Nominations & Remunerations Committee, acknowledges his responsibility for the Committee's system in the Company and for reviewing its mechanism of work and ensuring its effectiveness.

### **B) Names of the members of the Nominations & Remunerations Committee, its terms of reference and the tasks assigned thereto:**

1.	Mr. Saeed Khalifa Al Rumaithi	Non-Executive/ Non-Independent	Chairman
2.	Mr. Sheikh Midhat Kidawi	Non-Executive/ Independent	Member
3.	Adel Ahmed Khalifa Al Falasi	Non-Executive/ Independent	Member

### **C) Meetings of the Nominations & Remunerations Committee:**

1- According to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, Nominations & Remunerations Committee held a single meeting during the financial year ended on March 31, 2022 on 15/06/2022.

**2- The personal attendance of all members was as follows:**

Ser.	Member's Name	Position	Nos. of the meetings attended
1	Mr. Saeed Khalifa Al Rumaiithi	Chairman	One time
2	Mr. Sheikh Midhat Kidawi	Member	One time
3	Adel Ahmed Khalifa Al Falasi	Member	One time

**7-The Supervision and Follow-up Committee of insiders' transactions:**

The Board of Directors did not make a decision as to the formation of this Committee, as there the Company's shares are not traded according to the Resolution of the Securities and Commodities Authority dated 13/06/2011 as to suspension of the introduction of Al Firdous Company's shares to Dubai Financial Market – The Board of Directors will consider its formation during the forthcoming financial year.

**8-Any other committee approved by the Board:**

The Board did not approve the formation of any other committees.

**9-Internal Control System:**

- 1- According to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies, the Board established the Internal Control Department with the aim of providing the substantive and reliable independent advice and ensuring the preparation and management of an internal control environment to assist the Board of Directors and the Audit Committee in performing their tasks and duties.
- 2- The Board of Directors acknowledges its responsibility for the work of the Internal Control Department and implementation of the internal control system, and for the periodic review and extent of its effectiveness to eliminate the risks and protect the shareholders' rights.

**A) Name of the Head of Department and his/her qualifications:**

This Department is headed by Mr. Mueenuddin Akhtar who has been appointed in such office on 22/11/2015, and he has the following qualifications:

- 1- An internal auditor since 2012 and he has been approved as a chartered accountant in 2012.
- 2- Holds an accreditation in the Islamic banking.
- 3- Attended several training programs in auditing, risk management, financial management and many others.
- 4- Holds a Bachelor's degree in Commerce from Meerut University - India in 1987.

**B) Name of the Compliance Officer and his/her qualifications:**

Mrs. Amal Yousef holds the position of compliance officer, and she has been appointed in such office on 13/08/2016 and she holds the following qualifications:

- 1- Responsible for the implementation of governance in the company since 2016.
- 2- Prepares governance reports for the company.
- 3- Attended all training programs related to corporate governance held by the Securities and Commodities Authority or the Dubai Financial Market.
- 4- She successfully passed the "Secretary of the Board of Directors" test having attended the course held by Hawkamah Institute on January 2-3, 2018 and obtained a certificate of the Secretary of the Board of Directors approved by the institute affiliated to the Dubai Financial Market Management.
- 5- She holds a Bachelor's degree in Media - Egypt and studies the Master's degree in Business Administration.
- 6- They are the same data and qualifications of the rapporteur of the Board of Directors' meetings and the Communication Officer concerned with the investor relationships.

**C) How the Internal Control Department handle any big problems facing the Company or those disclosed in the annual reports and accounts:**

The Internal Control Department carries out its work according to the Resolution of the Chairman of the Board of Directors of the Securities and Commodities Authority No. (7/R.M) of 2016 concerning the institutional discipline standards and corporate governance of the public joint stock companies and in case there are any big problems facing the Company, it raises its report to the Audit Committee and the Board of Directors along with the necessary recommendations to solve these problems.

**D) Number of the reports issued by the Internal Control Department to the Company's Board of Directors: 4 reports.**

## **10-Details of the violations committed during the financial year and their reasons and how to handle them and avoid their reoccurrence in the future:**

No violations were recorded as to the Company's performance during the past year ended on 31/03/2022.

## **11-Statement of the cash and in-kind contributions made by the Company during 2021/2022 in developing the local community and preserving the environment.**

- A- The company sets special policies and procedures to contribute to the development of the local community and the preservation of the environment.
- B- The company adheres to all regulations and rules related to preservation of the environment and avoidance of the pollution sources in any way by encouraging the employees to make the optimal use of the devices, tools and papers to reduce the phenomenon of waste and eliminate it, as well as encouraging the employees to use the modern methods of storing information.
- C- The company also adheres to the implementation of all precautionary measures, including social distancing, spreading various sterilization methods and allowing the employees to work from home during the period of total shutdown of the companies within the framework of the national sterilization program, and in accordance with the instructions issued by the Country regarding the procedures followed to combat and reduce the spread of the Corona virus "COVID 19".

## **12- General Information:**

### **A- Statement of the Company's share price in the market (high and low price) at the end of each month during this financial year:**

<b>Statement of the Company's share price Movement During the Year 2021-22</b>			
<b>S.No</b>	<b>Month</b>	<b>Low</b>	<b>High</b>
1	Apr-21	0.63	0.63
2	May-21	0.57	0.63
3	Jun-21	0.57	0.57
4	Jul-21	0.57	0.57
5	Aug-21	0.31	0.57
6	Sep-21	0.19	0.38
7	Oct-21	0.20	0.38
8	Nov-21	0.19	0.20
9	Dec-21	0.16	0.20
10	Jan-22	0.15	0.19
11	Feb-22	0.16	0.16
12	Mar-22	0.16	0.18

**B- Statement of the performance of the Company's shares compared to the general market index and index of the Sector to which the Company belongs:** This statement is also unavailable because the inclusion of Al Firdous Company's shares in Dubai Financial Market is still suspended in implementation of the Resolution of the Authority's Board of Directors No. (25) of 2011 before the trading session held on Tuesday corresponding to June 14, 2011 till now.

**C- Statement of the shareholders ownership distribution as on 31/03/2022 (individuals, companies, governments):**

Description	Individuals			Companies			government	Total		
	Shareholder	Share	%	Shareholder	share	%		Shareholder	Share	%
<b>Local</b>	65,753	56,872,246	9.48%	26	475,792,770	79.30%		65,779	532,665,016	88.78%
<b>Gulf</b>	18	44,226,998	7.37%	4	31,500	0.01%		22	44,258,498	7.38%
<b>Arab</b>	33	22,735,502	3.79%	0	0	0		33	22,735,502	3.79%
<b>Foreign</b>	23	305,984	0.05%	1	35,000	0.01%		24	340,984	0.06%
<b>Total</b>	<b>65,827</b>	<b>124,140,730</b>	<b>20.69%</b>	<b>31</b>	<b>475,859,270</b>	<b>79.31%</b>		<b>65,858</b>	<b>600,000,000</b>	<b>100%</b>

**D- Statement of shareholders owning 5% or more of the Company's capital as on 31/03/2022 according to the following schedule:**

Ser.	Shareholder	Percentage
1	Al Heer Oasis General Trading LLC	30.61%
2	Ain Holding LLC	14.32%
3	Diba Holding Company	8.46%
4	Al Wajna Holding Company	8.46%
5	Al Firdous Facility Management Services LLC	5.78%
6	Ajyad Facility Management Services LLC	5.70%
7	Jabal Al Qalaa Facility Management Services LLC	5.70%
8	Sheikh Khaled Bin Zayed Bin Saqr Al Nahyan	5.59%

**E- Statement of how shareholders are distributed according to the volume of property as on 31/03/2022 according to the following schedule:**

Ser.	Ownership of the shares (share)	Nos. of the shareholders	Nos. of the shares owned	Percentage of the shares owned to the capital
1	Less than 50,000	65,788	11,540,764	1.92%
2	From 50,000 to less than 500,000	57	8,088,471	1.35%
3	From 500,000 to less than 5,000,000	1	820,665	0.14%
4	More than 5,000,000	12	579,550,100	96.59%

**F- Statement of the procedures that have been taken as to the regulations of the investor relationships:**

A special page for investor relations has been created on its website to be constantly updated and maintained in line with the international standards to include:

Data and means of communication with the Investor Relations Department such as a dedicated phone number and email, providing all reports related to financial results, whether recorded in the archive or published and data of the financial year, provided that they shall include dates of publication of the financial results data and minutes of the General Assembly's meetings and any other important events.

Data of the Investor Relations Officer are as follows: Amal Youssef - Email: [amal@binzayed.ae](mailto:amal@binzayed.ae) – Phone: 043739800 or 900, which are the same data and qualifications of the rapporteur of the Board of Directors' meetings. Below is the link of the Investor Relations page on the Company's website: <http://www.alfirdouspjsc.com/Investor.html>.

**G- Statement of the special decisions that have been presented during the General Assembly held and the procedures taken in this regard:**

No special resolutions issued during the General Assembly.

**H- Rapporteur of the Board meetings.**

- Name of the Rapporteur of the Board of Directors' meetings: Amal Youssef.
- Date of appointment: 13/08/2016.
- Qualifications and experiences: Kindly, refer to the details under item No. 9, sub-clause No. C.

**I- Detailed statement of major events and important disclosures that the Company encountered during the year 2021/ 2122:**

The Resolution of the Securities and Commodities Authority dated 13/06/2011 is still in force as to suspension of the inclusion of Al Firdous Company's shares in Dubai Financial Market, in accordance with the Resolution of the Authority's Board of Directors No. (25) of 2011 and according to the provision of Article (20/2/Z) of the law of including of the securities and commodities and Article (14/6) of the law concerning disclosure and transparency, as the Company sold the major part of its assets before the deliberation session held on June 14, 2011 until further notice.

**J- Statement of Emiratization percentage in the Company at the end of 2020, 2021, 2022:**

There is no Emiratization percentage, but the Company is working on attracting citizens in certain jobs.

**K- Statement of the transactions that the company has made with related parties during the year 2021/2022, which are equal to 5% or more of the company's capital:**

The Company did not conclude any new transactions during 2021/2022, which equal 5% or more of the Company's capital regardless of whether these transactions have been made with related parties or not.

**L. Statement of the projects and innovative initiatives made by the Company or being performed during the year 2021/2022:**

Currently, there are no initiatives, but the Company is working on following up the requirements.



**Signature of the Chairman of the Board**

//Duly Signed//  
Date: 15/06/2022



**Signature of the Head of the Audit Committee**

//Duly Signed//  
Date: 15/06/2022



**Signature of the Head of the Nominations & Remunerations Committee**

//Duly Signed//  
Date: 15/06/2022



**Signature of the Director of the Internal Control Department**

//Duly Signed//  
Date: 15/06/2022

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الفردوس القابضة ش.م.ع

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

## **SUSTAINABILITY REPORT 2022**

**Al Firdous Company P.J.S.C**

## Message from our Chairman of the board

I am pleased to present Al Firdous' Sustainability Report showcasing the company's ongoing efforts to promote the well-being of our employees, our communities, and the environment. Our board members and executive management recognize their obligation to provide leadership and guidance as Al Firdous works to promote sustainability and social progress on multiple fronts as well its obligation to keep our stakeholders informed regarding these endeavors and their results.

Throughout its history, Al Firdous has always built its success upon the strong foundation of a culture of compliance, ethical behavior, and systematic enterprise risk management. The board members and I share these core values, which also drive our dedication to effective corporate governance. Our increasing efforts to promote diversity, equity, and inclusion in our workplace, as well as to promote the long-term health of our planet.

Al Firdous' mission states that we should contribute to national growth by creating and unlocking stakeholder value and building long lasting partnerships with our customers. In addition, the board and I also ensure that these mandates are integrated into the fabric of our business strategy. Our clients are increasingly looking to cut through complexities as they pursue sustainability and social welfare as core business strategies.

Finally, in addition to our effort inside the boardroom, many of our board members are engaged in the company's diversity, equity, and inclusion efforts. We look forward to continuing and expanding our personal participation in the future.

Thank you for taking the time to review our first Sustainability Report. I am privileged to be leading Al Firdous' efforts to make our workplaces and communities better environments in which to work and live, and we look forward to sharing the company's progress in future reports.

Sincerely,



**Sheikh Khaled Bin Zayed Saquer Al Nahyan**  
**Chairman of the Board**

## 1. Al Firdous at a Glance

### a. Our Journey

Founded in 1998, Al Firdous is a UAE domiciled public joint stock company listed on the Dubai Financial Market and regulated by the UAE Securities and Commodities Authority as well as the Dubai Financial Services Authority.

### b. Our Vision

To consistently set standards as a progressive, financially successful organization of the highest integrity, respected by our clients, by our colleagues and by the community.

### c. Our Mission

To contribute to national growth by creating and unlocking stakeholder value and building long lasting partnerships with our customers by:

- Cutting through complexities paving the way for responsible investing
- Offering uncompromising service to our clients
- Creating a positive economic impact in our community

### d. Our Values

#### **Creation:**

We create and unlock value for our customers and stakeholders.

#### **Ingenuity:**

We are creative, resourceful and perceptive in our duties.

#### **Collaboration:**

We work together to bring out the best in each other and create successful working relationships.

## **2. Our Approach to ESG**

As part of this transformation, we have identified three main areas to focus on to ensure AlFirdous continues and remains sustainable over the years. These main areas include:

- 1. Social: Manpower**
- 2. Governance and Risk Management**
- 3. The Environment**

We believe that thoughtful and consistent attention to our ESG responsibilities is integral to our operations, our long-term success, and our stakeholder relationships (our employees, clients, stockholders, regulators, and communities).

Evolving identification of ESG responsibilities most applicable to our business through aggregation of findings from ESG diagnostics and stakeholder assessments:

### **1. Social: Human Capital:**

Our Approach to Human Capital Management:

- Employee Recruitment, Development, and Engagement
- Talent Acquisition
- Employee Empowerment (Training and Development)
- Employee Engagement
- Emiratization
- Employee Health and Well-Being
- Our Response to COVID-19

## **An Evolving Approach to Human Capital Management**

People are the most valuable assets to any successful business. The right caliber, education, background, behavior, and ethics are the main qualities we assess prior to recruiting any resource.

As our company has grown, we have made necessary adaptations to build our human capital. Our dedicated Human Capital Group consists of experienced professionals that shape our strategies ranging from recruitment, training and development, mentorship, inclusion, rewards, recognition, and more.

Upon joining Al Firdous, our employees go through a broad detailed onboarding process to provide them with the knowledge and tools to help them succeed in their role. We continue to invest in our employees via education, training, and development with the aim of building future leaders.

## **Employee Recruitment, Development, and Engagement**

### **i. Talent Acquisition**

Our talent acquisition team targets and recruits candidates with prominent backgrounds. We recognize that a firm of employees from all walks of life enables us to better serve our clients. Graduates accepted into our rotation program are exposed to different financial departments, receive mentorship and career advice, as well as training to ease their transition into full-time employment. Al Firdous also invests in financial professionals with experience from diverse financial institutions to share their knowledge and skills which in turn strengthens our team dynamic and improves our work efficiency.

At Al Firdous, we view varied levels of talent acquisition as critically strategic to our business. While our hiring process places an emphasis on technical abilities, we place an equal emphasis on ensuring that candidates are a good cultural fit.

### **ii. Employee Engagement**

At Al Firdous, we recognize how important professional and personal growth is. We also acknowledge that our competitive edge stems from our talent. Our thrive for excellence is visible through our recruitment process, skill building, mentorship, and robust performance management process.

With the rise of the pandemic, effective learning and development had reduced among our employees. To counteract this, Al Firdous employed LinkedIn learning to provide employees with a wide library of online learning materials they could use to progress their career forward.

**iii. Shaping Our Future with Diversity, Equity, and Inclusion**

Al Firdous recognizes the importance of diversity and inclusivity and is committed to fostering an environment that is accepting of all backgrounds. We make this commitment because we know there is strength and unity in diversity. This allows us to better serve our clients and help our employees feel at home.

**iv. Emiratization**

As part of our inclusion efforts, a key priority set by our BOD during 2020 was Emiratization. Al Firdous is currently in the process of attracting young, gifted UAE nationals, with the objective of providing them with training and tools necessary to initiate their career in the financial sector. Our Human Capital team has established contacts with leading universities in the UAE to attract fresh graduates to this program. Our goal is to have UAE nationals as part of our task force.

**v. Health and Well-Being**

At Al Firdous, we prioritize our employees' health and well-being which is why we offer a variety of benefits aside from vacation days, some of these benefits include medical, dental and life insurance benefits, time-off policies, sick leave, and parental leaves. We also provide our employees with study leaves to allow them to pursue accreditation and higher education.

**vi. Our Response to COVID-19**

As we have navigated these extraordinary times, our primary concern has been the protection and well-being of our team. In 2021, the coronavirus pandemic drastically changed our ways of working and safeguarding the health and well-being of employees was our top priority. To protect our employees, we were the first company to go virtual and work from home.

We applied the same high standards of care, safety and security across our markets but adapted them according to the evolving situation. A COVID-19 response policy was created, providing the tools, equipment and required access to fully operate from home while maintaining social connections through online meetings; and social media groups to share news, initiate discussion, and share light-hearted content.

We also created a working group employee who contracted the virus to be provided with emotional support, medical support, and financial support, if required. In a short period of time, our employees adopted new technologies, communicated virtually and maintained a work-life balance. We are grateful for their adaptability and perseverance to consistently deliver quality results to our clients and colleagues.

As we adjust to this new normal, we will continue to monitor the spread of COVID-19, remain vigilant in ensuring our employees are safe, and implement new protocols, as needed.

## **2. Governance and Risk Management**

Our success is dependent on Al Firdous employees consistently working to advance our mission. These efforts are enhanced by our organizational structures, risk management strategies, and consistent dialogues across our teams and with our senior leadership.

### **a. Commitment to Good Governance**

Our reputation has and will always be critical to materialize our vision of being the customer's first choice in the financial sector. Since inception, Al Firdous' strong governance and reputation for integrity were the foundation of our growth and success. Our core values support our strategy, our day-to-day activities and everything we do.

Our Corporate Governance Framework includes the following components: **Board committees**

- Audit Committee
- Nomination and Remuneration Committee

### **b. Professional Integrity and Business Ethics**

Our Code of Ethics and Business Conduct is the essential guide for all employees. It details our expectations for employee behavior, conduct, and compliance and is supplemented with specific policies for certain lines of business. Annually, we conduct compliance training and certification programs to ensure that all our employees are familiar with the policies and procedures.

Our Legal, Compliance and Human Capital departments' senior management, and our board's **Audit Committee reviews on a quarterly and annually basis our compliance and whistleblower activities.**

### **Al Firdous' Core Policies**

- Restricted List/ Insider Trading
- Anti-Money Laundering
- Client Due Diligence and Background Checks
- Compliance Manual
- Data Privacy / Confidentiality
- Archiving Policies and Procedures

### **c. Operational Framework**

Al Firdous board sets the direction of the group by defining the vision, mission, values, and risk appetite. It then delegates responsibility for the achievement of the organization's objectives to management. The governing body receives reports from management on planned, actual, and expected outcomes, as well as reports on risk and the management of risk.

### **d. Policies & Procedures**

The code clearly states it is the responsibility of each employee to be familiar with compliance requirements, and to conduct themselves in accordance with the relevant laws, guidelines, policies and processes that apply to them. The company in turn has an obligation to help employees understand the applicable rules and to provide training, technology, and digital options with the aim of helping Al Firdous achieve compliance.

We have also established Ethics & Business conduct board which duties includes:

- overseeing the implementation of the Code
- Providing regular training and educational materials to the employees.
- Reporting any violations to the concerned management.

### **3. The Environment**

#### **i. Digitalization and Transformation**

2021 demonstrated that times are changing and without adopting new technologies, businesses can't sustain growth or even maintain current levels of business. Al Firdous has worked for the past 3 years on digitalization and automation of operations. We have also invested in infrastructure and the latest technology upgrades to operate 100% from home without any interruptions during the pandemic.

#### **ii. Protecting Our Planet**

The year 2021 was unprecedented. COVID-19 has changed the whole business environment pushing companies to expedite adopting online digital practices. Despite the large impact of this pandemic on the world, it had a very positive impact on the environment. The lockdown has resulted in a significant drop in CO<sub>2</sub> emissions from our employee vehicles into the atmosphere. Working from home also resulted in significantly lower paper usage, electricity usage, and water usage from our office. Moreover, adopting technology advancements has resulted in savings and a positive impact on the environment. In the past few years, our focus on the environmental impact of cooperation has increased. We started documenting this impact and constructing a plan to enhance many angles of operation in order to reduce our carbon footprint as much as possible.