TAKAFUL EMARAT - INSURANCE (PSC)

PUBLIC JOINT STOCK COMPANY

DUBAI

UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

TAKAFUL EMARAT - INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

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Independent Auditor's Report

1013801310

The Shareholders
Takaful Emarat - Insurance (PSC)
Public Joint Stock Company
Dubai
United Arab Emirates

Report on Financial Statements
We have audited the accompanying financial statements of **Takaful Emarat - Insurance (PSC) "the company"**, which comprise the statement of financial position as at 31 December 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

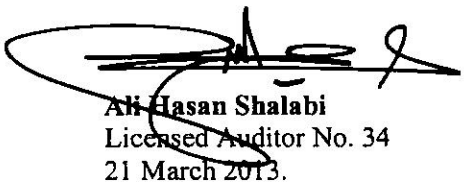
Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of **Takaful Emarat - Insurance (PSC)**, as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Also in our opinion, the company has maintained proper accounting records and the contents of the Directors' report relating to the financial statements are in agreement therewith. We have obtained all the information and explanation which we required for the purpose of our audit. To the extent of information and explanations made available to us, nothing came to our attention concerning occurrence of violations of the UAE Commercial Companies Law No.8 of 1984 and its amendments or with UAE Federal Law No. 6 of 2007 with the matter of establishing Insurance Authority and organizing its working in United Arab Emirates or the Articles of Association of the company for the year which would have had a material effect on the company's activities or its financial position.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL



Ali Hasan Shalabi
Licensed Auditor No. 34
21 March 2013.

TAKAFUL EMARAT - INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

EXHIBIT A

	Note	2012 AED	2011 AED
ASSETS			
Cash and bank balances	4	**21,436,088**	58,248,209
Post-dated cheques received		**2,014,768**	363,609
Takaful and other receivables	5	**67,544,557**	9,787,817
Due from related parties	6	**2,413,743**	42,939
Retakaful Contract Assets	7	**39,708,055**	2,356,852
Investments at fair value through profit or loss	8	**30,811,235**	11,031,197
Investments carried at amortized cost	9	**19,937,762**	19,619,644
Investment property	10	**10,500,000**	10,500,000
Property and equipment	11	**9,938,490**	5,552,950
TOTAL ASSETS		**204,304,698**	117,503,217
LIABILITIES, POLICY HOLDERS' FUND AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Post dated cheques issued	12	**1,146,353**	1,732,335
Retakaful and other payables	13	**49,439,031**	7,329,956
Takaful contract liabilities	7	**68,159,423**	7,407,893
End of service benefits obligation	14	**744,900**	359,674
TOTAL LIABILITIES		**119,489,707**	16,829,858
POLICY HOLDERS' FUND			
Deficit in policy holders' fund	15	**(8,701,793)**	(2,970,418)
Qard Hassan from shareholders	15	**8,701,793**	2,970,418
NET POLICY HOLDERS' FUND		**--**	--
SHAREHOLDERS' EQUITY			
Share capital	16	**150,000,000**	150,000,000
Accumulated losses		**(65,185,009)**	(49,326,641)
NET SHAREHOLDERS' EQUITY - EXHIBIT C		**84,814,991**	100,673,359
TOTAL LIABILITIES, POLICY HOLDERS' FUND AND SHAREHOLDERS' EQUITY		**204,304,698**	117,503,217

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the Board of Directors on 21 March 2013 and signed on its behalf by :

Mohammed Ali Al Sari
Chairman

TAKAFUL EMARAT - INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

EXHIBIT B

	Note	2012 AED	2011 AED
ATTRIBUTABLE TO POLICY HOLDER			
Takaful Contributions earned	19	**41,444,144**	13,213,562
Retakaful Contributions ceded	19	**(22,920,852)**	(4,295,680)
Net earned contributions	19	**18,523,292**	8,917,882
Gross claims incurred		**(19,514,833)**	(8,692,563)
Retakaful share of claims incurred		**11,167,806**	3,415,125
Net claims incurred		**(8,347,027)**	(5,277,438)
Takaful income		**10,176,265**	3,640,444
Takaful expenses	20	**(6,441,655)**	(2,021,452)
Takaful Operating Profit		**3,734,610**	1,618,992
Wakalah fees	21	**(9,465,985)**	(1,708,545)
Deficit of takaful for the year		**(5,731,375)**	(89,553)
Attributable to shareholders :			
Shareholders' investment income, net	22	**2,083,411**	3,916,014
Other income/(loss)	23	**11,568,478**	(1,371,564)
Wakalah fees from policy holders		**9,465,985**	1,708,545
General and administrative expenses	24	**(33,244,867)**	(23,942,758)
Fair value loss on investment property		**--**	(200,000)
Provision for Qard Hassan to policy holders' fund	15	**(5,731,375)**	(89,553)
Loss for the year - **Exhibit D**		**(15,858,368)**	(19,979,316)
Other comprehensive income		**--**	--
Total comprehensive loss for the year - **Exhibit C**		**(15,858,368)**	(19,979,316)
Basic loss per share	25	**(0.106)**	(0.133)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TAKAFUL EMARAT - INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

EXHIBIT C

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 January 2011	150,000,000	(29,347,325)	120,652,675
Total Comprehensive Loss for the year ended 31 December 2011 - Exhibit B	--	(19,979,316)	(19,979,316)
Balance at 31 December 2011 - Exhibit A	**150,000,000**	**(49,326,641)**	**100,673,359**
Total Comprehensive loss for the year ended 31 December 2012 - Exhibit B	--	**(15,858,368)**	**(15,858,368)**
Balance at 31 December 2012 - Exhibit A	**150,000,000**	**(65,185,009)**	**84,814,991**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

TAKAFUL EMARAT - INSURANCE (PSC)
PUBLIC JOINT STOCK COMPANY
DUBAI
UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

EXHIBIT D

OPERATING ACTIVITIES	2012 AED	2011 AED
Loss for the year - Exhibit B	**(15,858,368)**	(19,979,316)
Adjustments for:		
Net retakaful contract assets and takaful contract liabilities	**23,400,327**	(8,096)
Depreciation	**2,043,791**	1,468,351
Loss on disposal/sale of property and equipment	**--**	1,759,903
Realized gain on investments carried at amortized cost	**(1,019,196)**	(451,184)
Change in fair value of investment property	**--**	200,000
Provision for Qard Hassan to policy holders' fund	**5,731,375**	89,553
Unrealized gain on revaluation of investments at FVTPL	**(35,164)**	(438,348)
End of service benefits obligation	**461,434**	258,354
Operating Profit/(Loss) Before Working Capital Changes	**14,724,199**	(17,100,783)
Working Capital Changes :		
Post dated cheques received	**(1,651,159)**	198,806
Takaful and other receivables	**(57,756,740)**	3,693,859
Post dated cheques issued	**(585,982)**	1,204,835
Retakaful and other payables	**42,109,075**	(140,084)
Settlement of end of service benefits obligation	**(76,208)**	(258,355)
Net Cash Used in Operating Activities	**(3,236,815)**	(12,401,722)
INVESTING ACTIVITIES		
Investment deposits	**4,285,831**	65,714,168
Purchase of held for trading investments	**(19,744,874)**	(10,592,849)
Purchase of investments carried at amortized cost	**--**	(15,000,000)
Purchases of property and equipment	**(6,429,331)**	(3,541,050)
Dividends income received	**701,078**	227,174
Proceeds from sale of property and equipment	**--**	200,000
Net Cash (Used in)/Provided by Investing Activities	**(21,187,296)**	37,007,443
FINANCING ACTIVITIES		
Net movement in a related party account	**(2,370,804)**	(72,229)
Deficit in policy holders' fund	**(5,731,375)**	(89,553)
Net Cash Used in Financing Activities	**(8,102,179)**	(161,782)
Net (decrease)/increase in cash & cash equivalents	**(32,526,290)**	24,443,939
Cash & cash equivalents at beginning of year	**44,248,209**	19,804,270
Cash & Cash Equivalents at end of Year - Note 27	**11,721,919**	44,248,209

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. STATUS AND ACTIVITIES

Takaful Emarat – Insurance (PSC) - Dubai - United Arab Emirates (hereinafter referred to as the **"Company"**) incorporated as a public joint stock company in accordance with the U.A.E. Federal Law No. 8 of 1984 (as amended) and with U.A.E. Federal Law No. 6 of 2007 with the matter of establishing Insurance Authority and organizing its working in United Arab Emirates.

The company carry out Takaful Insurance Activities in Health Insurance and Life Insurance and Credit & Saving Insurance in accordance with the Islamic Sharia'a and within the provisions of the Articles of Association of the company.

The company is domiciled in Dubai City - Emirate of Dubai - and its registered address is P.O. Box 64341.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the company has adopted the new and revised International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) and their interpretations that are relevant to its operations and effective for the financial statement for the current year.

The directors anticipate that all of the new and revised International Financial Reporting Standards (IFRSs) and Interpretations as applicable will be adopted in the Company's financial statements for the period commencing 1 January 2013 or as and when it is applicable.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards and applicable provisions of UAE Commercial Companies law (as amended).

The financial statements have been prepared on the historical cost basis except for investment property and financial instruments at fair value.

The significant accounting policies are as follows :

Takaful Contracts

The company issues contracts that transfer takaful risk. Takaful contracts are those contracts that transfer significant takaful risk. As a general guideline, the company defines significant takaful risk as the possibility of having to pay benefits on the occurrence of an insured event.

Retakaful contract assets

Contracts entered into by the company for retakaful under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements of takaful contracts are classified as retakaful contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

Takaful contracts entered into by the company under which the contract holder is involved in takaful activities are included with takaful contracts. The benefits to which the company is entitled under its retakaful contracts held are recognized as retakaful contract assets. The company assesses its retakaful contract assets for impairment on a regular basis. If there is objective evidence that the retakaful contract asset is impaired, the company reduces the carrying amount of the retakaful contract assets to its recoverable amount and recognizes that impairment loss in the statement of comprehensive income.

Takaful contract liabilities

Takaful contract liabilities towards outstanding claims are made for all claims intimated to the company and still unpaid at the statement of financial position date, in addition to claims incurred but not reported. The unearned contributions considered in the takaful contract liabilities comprise of estimated proportion of the gross contributions written which relates to the years of takaful subsequent to the statement of financial position date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

- *Takaful Contribution earned*

  For all takaful contracts, contributions are recognized as revenue (earned contributions) proportionally over the period of coverage. The portion of contributions received on in-force contracts that relates to unexpired risks at the statement of financial position date is reported as the unearned contribution liability.

- *Claims*

  Claims and loss adjustment expenses are charged to the statement of comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

- *Retakaful income and expenses*

  Retakaful income is recognized when retakaful is entered into and retakaful expenses are recognized when the policies are issued.

Property and equipment

The property and equipment are carried at their cost less any accumulated depreciation and any accumulated impairment.

Depreciation is calculated on a straight line basis over the estimated useful lives. Annual rates of depreciation used are as follows :

	%
Office equipment	20
Furniture and fixtures	20
Computer software	33
Motor vehicles	20

The estimated useful lives, residual values and depreciation method are reviewed and adjusted if appropriate at each statement of financial position date.

The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed recoverable amounts, assets are written down to their recoverable amounts.

Any gain or loss arising on derecognition of any item of property and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the assets, and is recognized in the statement of comprehensive income.

Investment property

Investment property held to earn rentals or for capital appreciation, investment property is measured at fair value as at the financial position date. Gain or loss arising from changes in the fair value of investment property is included in the comprehensive statement of income.

Impairment of assets

The carrying amounts of the company's assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the recoverable value of the assets is estimated. An impairment loss is recognized where the carrying amount of a asset exceeds its recoverable value. Impairment losses are recognized in the statement of comprehensive income.

Financial assets

Financial assets comprising of, among other things, investments in debt and equity instruments, are recognized and derecognized on the trade date when the group becomes party to the contractual provisions of the instruments. The financial assets are initially recognized at fair value plus transaction costs, directly attributable to the acquisition or issue of those assets, except for the financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalent comprises bank balances and demand deposits where cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Takaful receivables

Takaful receivables are recognized when due. These include amounts due to and from agents, brokers and takaful contract holders.

If there is objective evidence that the takaful receivable is impaired, the company reduces the carrying amount of the takaful receivable accordingly and recognizes that impairment loss in the statement of comprehensive income.

Financial assets at Fair value through Profit or Loss (FVTPL)

Financial assets are classified as fair value through profit or loss (FVTPL) when they are held for trading, which means they have been acquired principally for the purpose of selling in the near future.

Initially the financial assets in this criteria are recorded at fair value through profits or loss (FVTPL). Gains or losses resultant form changes in the fair value arising on subsequent measurement are recognized in the statement of comprehensive income. The net gain or loss recognized in the statement of comprehensive income incorporates any dividend or interest earned on the financial asset.

Investments at Amortized cost

Debt instruments are measured at amortized cost if the following conditions are met.

- The assets are held within a business model in order to collect contractual cash flows.
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal amount and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction cost, and subsequently measured at amortized cost using the effective interest method less any impairment.

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period.

Derecognition of financial assets

The company derecognizes a financial asset only when the contractual rights of the cash flows from the asset is lost or expired, or when the company finance, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity depending on the substance of the contractual arrangement.

Accounts payable and accruals

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

Derecognition of financial liabilities

The company derecognizes financial liabilities when the company's obligations are discharged, cancelled or they expire.

Deficit in Policy holders' fund and Qard Hassan

The deficit in policy holder's funds represents accumulated losses on policy holders operation. Deficit in the policy holders' fund is financed by the shareholders through 'Qard Hassan'. The company maintains a full provision against loans.

End of service benefits obligation

End of service benefits obligation is calculated in accordance with U.A.E. Labour law requirements

Defined contribution plan

U.A.E. National employees of the company are members of the Government managed retirement pension and the social security benefit scheme established pursuant to U.A.E. Federal Labour Law No. 7 of 1999. The company is required to contribute and the contributions are charged to the statement of comprehensive income.

Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date. Provisions are review and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

Statutory Reserve

In accordance with the UAE Commercial Companies Law No. (8) of 1984 (as amended) and the Company's Articles of Association an amount equal to 10% of the profit for the year is to be transferred to statutory reserve until such reserve balance reaches 50% of the Company's capital. Amounts retained in the statutory reserve account are not available for distribution to shareholders, except under the circumstances stipulated by the law.

Additional Reserve

In accordance with the company's Article of Association, an amount equal to 10% of the profit for the year is to be transferred to additional reserve. This transfer will be stopped by a decision from ordinary general assembly meeting based on the discretion of the Board of Directors and this reserve is used for the purposes decided by the general assembly meeting based on the discretion of the Board of Directors.

Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the financial statements.

Foreign currency

The statement of financial position is presented in Arab Emirates Dirhams (AED) which is the functional currency of the company. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on translating monetary items in profit or loss are recognized in the statement of comprehensive income.

Segments Information

Business segment

The Company's policy of differentiation between the work segments which are considered as primary segments by taking into consideration the nature of services and product from these segments, which exposed to risks and returns that are different from those of other business segments.

Geographic segment

The Company's policy of differentiation between the geographical segments which are considered as secondary segments taking into consideration the economic consequences, the related risk for each geographical segment which exposed to risks and returns that are different from those of segments operating in other economic environments.

Critical accounting judgments and key sources of estimation uncertainty

The company makes estimates and assumptions that affect the reported amounts of insurance contract assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and the latest available information including expectations of future events that are believed to be reasonable under the circumstances.

The ultimate liability arising from claims made under takaful contracts

The estimation of ultimate liability arising from the claims made under takaful contracts is the company's most critical accounting estimate. There are sources of uncertainty that need to be considered in the estimate of the liability that the company will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the statement of financial position date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the financial position date. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the company and management estimates based on past claims settlement trends for the claims incurred but not reported. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

Liability adequacy test

At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of takaful contract liabilities. The company made use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the statement of comprehensive income.

4. CASH AND BANK BALANCES

a) This item consists of the following :

	2012 AED	2011 AED
Cash in hand	**12,828**	13,574
Bank balances - current accounts	**9,709,091**	2,885,297
Investment deposits placed for three months or less from the original date of placement	**2,000,000**	41,349,338
Investment deposits placed for a period exceeding three months from the original date of placement	**9,714,169**	14,000,000
Total - Exhibit A	**21,436,088**	58,248,209

b) Investment deposits of AED. 2,000,000 and AED. 9,714,169 respectively mentioned above are deposited with local Islamic Banks and include an investment deposit of AED. 4,000,000 kept on the order of the Chairman of the Insurance Authority.

5. TAKAFUL AND OTHER RECEIVABLES

This item consists of the following :

	2012 AED	2011 AED
Takaful receivables	**53,129,258**	4,274,322
Due from retakaful companies	**8,048,315**	886,283
Accrued income of investment deposits	**98,548**	59,398
Prepaid expenses	**2,609,097**	1,886,873
Advances to suppliers	**1,041,823**	1,653,359
Margin held against letter of guarantees	**525,000**	195,000
Refundable deposits	**526,168**	429,829
Staff receivables	**1,538,570**	202,753
Others	**27,778**	200,000
Total - Exhibit A	**67,544,557**	9,787,817

The average credit period is 90 days. The company's policy regarding the provision for doubtful accounts is to provide full amount for doubtful accounts based on management expectation.

Before accepting any new customer, the Company assesses the potential customers' credit quality and defines credit limits for customer.

Takaful receivable include balances from 3 customers totalling to AED. 25,734,286 which represent 48% of takaful receivable of year end.

The age wise analysis of takaful receivable is as follows :

Range	2012 AED	2011 AED
Amount did not exceed a period of maturity	**20,967,158**	1,785,306
Amount over a period of maturity		
Up to 60 days	**13,707,644**	1,157,731
61-120 days	**10,013,243**	209,102
121 days and above	**8,441,213**	1,122,183
	32,162,100	2,489,016
Total	**53,129,258**	4,274,322

6. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the company enters into various transactions with related parties. Related parties represent major shareholders, directors and key management personnel of the company, and entities controlled, jointly controlled or significantly influenced by such parties. The prices and terms of these transactions are agreed with the company's management.

- At the statement of financial position date, balances due from related parties are as follows :

	2012 AED	2011 AED
UNIQA Re AG - Austria	**2,413,743**	--
UNIQA International beteiligungs - verwaltungs - Austria	**--**	42,939
Total - Exhibit A	**2,413,743**	42,939

- The following are the details of significant related parties transactions :

	2012 AED	2011 AED
Income from stop loss reinsurance	**8,243,500**	--
Stop loss reinsurance contribution	**1,000,000**	--
Expenses charged	**--**	42,939

- The remuneration of key management are as follows :

	2012 AED	2011 AED
Compensation paid to Key Management	**3,756,000**	3,197,562

7. TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS

This item consists of the following :

	31 December 2012			31 December 2011		
	Medical	**Life**	**Total**	Medical	Life	Total
	AED	**AED**	**AED**	AED	AED	AED
Takaful Contract Liabilities						
Reported claims	**3,007,868**	**--**	**3,007,868**	1,321,227	--	1,321,227
Claims incurred but not reported	**664,000**	**--**	**664,000**	409,020	--	409,020
Unearned premiums and payable to policy holder of investment linked contract	**58,282,976**	**6,204,579**	**64,487,555**	5,602,309	75,337	5,677,646
	61,954,844	**6,204,579**	**68,159,423**	7,332,556	75,337	7,407,893
Retakaful Contract Assets						
Reported claims	**1,807,146**	**--**	**1,807,146**	462,430	--	462,430
Claims incurred but not reported	**398,400**	**--**	**398,400**	143,157	--	143,157
Unearned premiums	**37,057,326**	**445,183**	**37,502,509**	1,698,416	52,849	1,751,265
	39,262,872	**445,183**	**39,708,055**	2,304,003	52,849	2,356,852
Takaful liabilities - net						
Reported claims	**1,200,722**	**--**	**1,200,722**	858,797	--	858,797
Claims incurred but not reported	**265,600**	**--**	**265,600**	265,863	--	265,863
Unearned premiums and payable to policy holder of investment linked contract	**21,225,650**	**5,759,396**	**26,985,046**	3,903,893	22,488	3,926,381
	22,691,972	**5,759,396**	**28,451,368**	5,028,553	22,488	5,051,041

7. TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS (CONTINUED)

The movement in the takaful contract liabilities and retakaful contract assets during the year ended 31 December 2012 is as follows :

	Gross			Retakaful			Net		
	Medical	Life	Total	Medical	Life	Total	Medical	Life	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reported claims	1,321,227	--	1,321,227	462,430	--	462,430	858,797	--	858,797
Claims incurred but not reported	409,020	--	409,020	143,157	--	143,157	265,863	--	265,863
Total at 1 January 2012	1,730,247	--	1,730,247	605,587	--	605,587	1,124,660	--	1,124,660
Claims settled	(1,730,247)	--	(1,730,247)	(605,587)	--	(605,587)	(1,124,660)	--	(1,124,660)
Increase in liabilities	3,671,868	--	3,671,868	2,205,546	--	2,205,546	1,466,322	--	1,466,322
Total at 31 December 2012	3,671,868	--	3,671,868	2,205,546	--	2,205,546	1,466,322	--	1,466,322
Reported claims	3,007,868	--	3,007,868	1,807,146	--	1,807,146	1,200,722	--	1,200,722
Incurred but not reported	664,000	--	664,000	398,400	--	398,400	265,600	--	265,600
Total at 31 December 2012	3,671,868		3,671,868	2,205,546	--	2,205,546	1,466,322	--	1,466,322
Unearned premium and payable to policy holder of investment linked contract at 1 January 2012	5,602,309	75,337	5,677,646	1,698,416	52,849	1,751,265	3,903,893	22,488	3,926,381
Increase during the year	58,282,976	6,204,579	64,487,555	37,057,326	445,183	37,502,509	21,225,650	5,759,396	26,985,046
Decrease during the year	(5,602,309)	(75,337)	(5,677,646)	(1,698,416)	(52,849)	(1,751,265)	(3,903,893)	(22,488)	(3,926,381)
Net increase during the year	52,680,667	6,129,242	58,809,909	35,358,910	392,334	35,751,244	17,321,757	5,736,908	23,058,665
Total at 31 December 2012	58,282,976	6,204,579	64,487,555	37,057,326	445,183	37,502,509	21,225,650	5,759,396	26,985,046

7 TAKAFUL CONTRACT LIABILITIES AND RETAKAFUL CONTRACT ASSETS (CONTINUED)

The movement in the takaful contract liabilities and retakaful contract assets during the period ended 31 December 2011 is as follows :

	Gross			Retakaful			Net		
	Medical AED	Life AED	Total AED	Medical AED	Life AED	Total AED	Medical AED	Life AED	Total AED
Reported claims	1,703,482	--	1,703,482	1,036,523	--	1,036,523	666,959	--	666,959
Claims incurred but not reported	1,423,577	--	1,423,577	861,782	--	861,782	561,795	--	561,795
Total at 1 January 2011	3,127,059	--	3,127,059	1,898,305	--	1,898,305	1,228,754	--	1,228,754
Claims settled	(3,127,059)	--	(3,127,059)	(1,898,305)	--	(1,898,305)	(1,228,754)	--	(1,228,754)
Increase in liabilities	1,730,247	--	1,730,247	605,587	--	605,587	1,124,660	--	1,124,660
Total at 31 December 2011	1,730,247	--	1,730,247	605,587	--	605,587	1,124,660	--	1,124,660
Reported claims	1,321,227	--	1,321,227	462,430	--	462,430	858,797	--	858,797
Incurred but not reported	409,020	--	409,020	143,157	--	143,157	265,863	--	265,863
Total at 31 December 2011	1,730,247	--	1,730,247	605,587	--	605,587	1,124,660	--	1,124,660
Unearned premium at 1 January 2011	5,857,069	176,722	6,033,791	2,101,376	102,031	2,203,407	3,755,693	74,691	3,830,384
Increase during the year	5,602,309	75,337	5,677,646	1,698,416	52,849	1,751,265	3,903,893	22,488	3,926,381
Decrease during the year	(5,857,069)	(176,722)	(6,033,791)	(2,101,376)	(102,031)	(2,203,407)	(3,755,693)	(74,691)	(3,830,384)
Net (decrease)/increase during the year	(254,760)	(101,385)	(356,145)	(402,960)	(49,182)	(452,142)	148,200	(52,203)	95,997
Total at 31 December 2011	5,602,309	75,337	5,677,646	1,698,416	52,849	1,751,265	3,903,893	22,488	3,926,381

8. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

This item consists of the following :

	2012 AED	2011 AED
Fair value at 1 January	**11,031,197**	--
Purchase during the year	**19,744,874**	10,592,849
Increase in fair value	**35,164**	438,348
Fair value at 31 December - Exhibit A	**30,811,235**	11,031,197

9. INVESTMENTS CARRIED AT AMORTIZED COST

This item consists of the following :

	2012 AED	2011 AED
Cost at 1 January	**19,619,644**	4,395,634
Purchase during the year	**--**	15,000,000
Realized gain during the year	**1,019,196**	451,184
Dividends income received	**(701,078)**	(227,174)
Cost at 31 December - Exhibit A	**19,937,762**	19,619,644

Investments carried at amortized cost mentioned above represents investment in Sukuk issued by local companies.

10. INVESTMENT PROPERTY

Investment property represent a plot of land in Emirates of Dubai, stated at fair value. The details are as follows :

	2012 AED	2011 AED
Fair value at 1 January	**10,500,000**	10,700,000
Decrease in fair value	**--**	(200,000)
Fair value at 31 December - Exhibit A	**10,500,000**	10,500,000

Investment properties of AED. 10,500,000 mentioned above represent the fair value at the statement of financial position date as per management estimate.

11. **PROPERTY AND EQUIPMENT**

a) **As at 31 December 2012 :**

	Office equipment AED	Furniture & fixtures AED	Computer software AED	Motor vehicles AED	Total AED
Cost :					
At 1 January 2012	**991,258**	**1,788,586**	**3,606,976**	**481,900**	**6,868,720**
Additions	**1,475,480**	**2,423,648**	**2,530,203**	**--**	**6,429,331**
Balance at 31 December 2012	**2,466,738**	**4,212,234**	**6,137,179**	**481,900**	**13,298,051**
Accumulated Depreciation :					
At 1 January 2012	**334,216**	**244,024**	**632,467**	**105,063**	**1,315,770**
Charged for the year	**280,353**	**680,512**	**986,546**	**96,380**	**2,043,791**
Balance at 31 December 2012	**614,569**	**924,536**	**1,619,013**	**201,443**	**3,359,561**
Net Book Value :					
At 31 December 2012 - Exhibit A	**1,852,169**	**3,287,698**	**4,518,166**	**280,457**	**9,938,490**

b) Motor vehicles mentioned above of AED. 481,900 include two motor vehicles of AED. 348,900 registered in the names of the employees.

11. **PROPERTY AND EQUIPMENT (CONTINUED)**

As at 31 December 2011 :

	Office equipment AED	Furniture & fixtures AED	Computer software AED	Motor vehicles AED	Total AED
Cost :					
At 1 January 2011	733,654	3,683,120	166,093	109,000	4,691,867
Additions	257,604	1,279,231	1,631,315	372,900	3,541,050
Transfer	--	--	1,809,568	--	1,809,568
Disposals	--	(3,173,765)	--	--	(3,173,765)
Balance at 31 December 2011	991,258	1,788,586	3,606,976	481,900	6,868,720
Accumulated Depreciation :					
At 1 January 2011	159,002	828,327	63,052	10,900	1,061,281
Charged for the year	175,214	629,559	569,415	94,163	1,468,351
Relating to disposal	--	(1,213,862)	--	--	(1,213,862)
Balance at 31 December 2011	334,216	244,024	632,467	105,063	1,315,770
Net Book Value :					
At 31 December 2011 - Exhibit A	657,042	1,544,562	2,974,509	376,837	5,552,950

12. POST-DATED CHEQUES ISSUED

This item consists of the following :

	2012 AED	2011 AED
Post-dated cheques issued - Current Portion	**1,053,917**	1,233,815
Post-dated cheques issued - Non-Current Portion	**92,436**	498,520
Total - Exhibit A	**1,146,353**	1,732,335

13. RETAKAFUL AND OTHER PAYABLES

This item consists of the following :

	2012 AED	2011 AED
Takaful payables	**1,660,007**	384,085
Retakaful payables	**41,683,621**	2,836,785
Advance received	**2,540,080**	566,939
Provision for staff leave salaries	**784,076**	581,540
Accrued expenses	**498,343**	1,332,957
Other payables	**2,272,904**	1,627,650
Total - Exhibit A	**49,439,031**	7,329,956

14. END OF SERVICE BENEFITS OBLIGATION

The movement in this item during the year are as follows :

	2012 AED	2011 AED
Balance at 1 January	**359,674**	359,675
Current service cost	**461,434**	258,354
Settlements during the year	**(76,208)**	(258,355)
Balance at 31 December - Exhibit A	**744,900**	359,674

15. POLICY HOLDER'S FUND

This item consists of the following :

	2012 AED	2011 AED
Deficit in Policy Holder's Fund		
Balance at beginning of year	**(2,970,418)**	(2,880,865)
Net deficit for the year	**(5,731,375)**	(89,553)
Balance at the end of year - Exhibit A	**(8,701,793)**	(2,970,418)
Qard Hassan		
Balance at beginning of year	**2,970,418**	2,880,865
Addition during the year	**5,731,375**	89,553
Balance at the end of year - Exhibit A	**8,701,793**	2,970,418
Net balance at the end of year - Exhibit A	**--**	--

16. **SHARE CAPITAL**

This item consists of the following :

	2012 AED	2011 AED
Authorized, issued and fully paid up share capital comprises : 150,000,000 ordinary shares of AED. 1 each - Exhibit A	**150,000,000**	150,000,000

17. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

In the management opinion, the carrying amounts of financial assets and financial liabilities recognized in the financial statements are in approximate to their fair value.

The fair values of financial assets and financial liabilities are determined as follows :

- The fair value of financial assets and financial liabilities with standard terms and conditions and which are traded on active markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

18. **RISK MANAGEMENT**

Governance framework

The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that binder the sustainable achievement of the set financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The company's risk management function is carried out by the board of directors, with its associated committees. This is supplemented with a clear organizational structure

Regulatory framework

Regulators are primarily interested in protecting the rights of insurance contract holders and shareholders and monitor closely to ensure that the company is satisfactorily managing affairs for their benefit. At the same time regulators are also interested in ensuring that the company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks.

Takaful risk

Takaful risk is where the company agrees to indemnify the insured parties against happening of unforeseen future insured events. The frequency and severity of claims are the main risk factors. Risk exposure is mitigated by diversification across a large portfolio of insurance contracts and use of reinsurance arrangements. It include frequency and amounts of claims, life assurance, personal accident and retakaful risk.

Financial risk

The company is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful assets and takaful liabilities. Financial risk consists of the credit risk, profit rate risk, foreign currency risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company monitors and manages any credit risk in accordance with a specific credit policies and procedures. The financial instrument recorded in the statement of financial position which exposed the company to the credit risk it is in cash with banks.

Profit rate risk

The company is exposed to profit rates risk on its profit generating assets and liabilities like bank balances and investment deposits.

The company generally tries to minimize the profit rate risk by closely monitoring the market rates and investing in those financial assets in which such risk is expected to be minimum.

Foreign currency risk

The company is not exposed to significant foreign currency risk as substantially all financial assets and financial liabilities are denominated in Arab Emirate Dirham (AED) or United States Dollars (USD) to which the AED is pegged.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The company manages the liquidity risk through risk management framework for the company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent and the availability of financing through banking arrangements to ensure funds are available to meet its commitments for liabilities as they fall due

The details of maturity dates of the company's financial assets and financial liabilities are as follows :

As at 31 December 2012 :

	Less than three months AED	From 3 months to one year AED	1-5 years AED	Over 5 years AED	Total AED
Financial Assets					
Cash and bank balances	9,721,919	7,714,169	–	4,000,000	21,436,088
Post-dated cheques received	1,278,134	736,634	–	–	2,014,768
Takaful and other receivables	34,711,925	29,181,712	–	–	63,893,637
Due from a related party	2,413,743	–	–	–	2,413,743
Retakaful Contract Assets	–	39,708,055	–	–	39,708,055
Investments at FVTPL	30,811,235	–	–	–	30,811,235
Investments carried at amortized cost	–	4,937,762	15,000,000	–	19,937,762
Total	78,936,956	82,278,332	15,000,000	4,000,000	180,215,288
Financial Liabilities					
Post dated cheques issued	628,503	425,414	92,436	–	1,146,353
Retakaful and other payables	–	48,654,955	784,076	–	49,439,031
Takaful contract liabilities	–	68,159,423	–	–	68,159,423
Total	628,503	117,239,792	876,512	–	118,744,807

As at 31 December 2011 :

	Less than three months AED	From 3 months to one year AED	1-5 years AED	Over 5 years AED	Total AED
Financial Assets					
Cash and bank balances	44,248,209	10,000,000	--	4,000,000	58,248,209
Post-dated cheques received	280,470	83,139	--	--	363,609
Takaful and other receivables	2,943,036	4,957,908	--	--	7,900,944
Due from a related party	--	42,939	--	--	42,939
Retakaful Contract Assets	--	2,356,852	--	--	2,356,852
Investments at FVTPL	--	11,031,197	--	--	11,031,197
Investments carried at amortized cost	--	1,217,539	18,402,105	--	19,619,644
Total	47,471,715	29,689,574	18,402,105	4,000,000	99,563,394
Financial Liabilities					
Post dated cheques issued	256,760	977,055	498,520	--	1,732,335
Retakaful and other payables	--	6,748,416	581,540	--	7,329,956
Takaful contract liabilities	--	7,407,893	--	--	7,407,893
Total	256,760	15,133,364	1,080,060	--	16,470,184

19. NET EARNED CONTRIBUTIONS

This item consists of the following :

	31 December 2012			31 December 2011		
	Medical	**Life**	**Total**	Medical	Life	Total
	AED	AED	AED	AED	AED	AED
Gross contributions written						
Gross Contributions written	**89,136,863**	**11,117,190**	**100,254,053**	10,519,475	2,337,942	12,857,417
Change in unearned contributions provision and payable to policy holder of investment linked contract	**(52,680,667)**	**(6,129,242)**	**(58,809,909)**	254,760	101,385	356,145
Takaful Contributions earned	**36,456,196**	**4,987,948**	**41,444,144**	10,774,235	2,439,327	13,213,562
Retakaful Contributions						
Retakaful contributions	**57,148,940**	**1,523,156**	**58,672,096**	3,034,464	809,074	3,843,538
Change in unearned contributions provision	**(35,358,910)**	**(392,334)**	**(35,751,244)**	402,960	49,182	452,142
Retakaful contributions ceded	**21,790,030**	**1,130,822**	**22,920,852**	3,437,424	858,256	4,295,680
Net earned contributions - Exhibit B	**14,666,166**	**3,857,126**	**18,523,292**	7,336,811	1,581,071	8,917,882

20. TAKAFUL EXPENSES

This item consists of the following :

	31 December 2012			31 December 2011		
	Medical	**Life**	**Total**	Medical	Life	Total
	AED	AED	AED	AED	AED	AED
Net allocation charge in life insurance policies and other charges	**--**	**3,121,959**	**3,121,959**	--	242,118	242,118
Commission and other expenses	**2,516,091**	**803,605**	**3,319,696**	705,087	1,074,247	1,779,334
Total - Exhibit B	**2,516,091**	**3,925,564**	**6,441,655**	705,087	1,316,365	2,021,452

21. WAKALAH FEES

The shareholders manage the takaful operations for the policy holders and charge 15% - 50% (2011 : 15% - 35%) of gross takaful contributions as wakalah fees. For the year ended 31 December 2012, wakalah fees charged to policy holders amounted to AED.9,465,985 (2011 : AED. 1,708,545).

22. SHAREHOLDERS' INVESTMENT INCOME, NET

This item consists of the following :

	2012 AED	2011 AED
Return on investment in fixed deposits	**529,051**	3,026,482
Dividend income from investment carried at amortized cost	**1,019,196**	451,184
Fair value gain on investment at fair value through profit or loss	**35,164**	438,348
Dividends received from investments at fair value through profit or loss	**500,000**	--
Total - Exhibit B	**2,083,411**	3,916,014

23. OTHER INCOME/(LOSS)

a) This item consists of the following :

	2012 AED	2011 AED
Loss on disposal/sale of property and equipment	--	(1,759,903)
Net allocation charge in life insurance policies and other charge	**3,121,959**	242,118
Income from stop loss reinsurance - Note 23(b)	**8,243,500**	--
Miscellaneous Income	**203,019**	146,221
Net amount - Exhibit B	**11,568,478**	(1,371,564)

b) The company have agreement with Uniqa Re AG – Austria (a related party) begin 1 January 2012 until 31 December 2015 for stop loss reinsurance on business operation driven by the company directly in all lines of business of life located in United Arab Emirates.

24. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following :

	2012 AED	2011 AED
Salaries and other benefits	**18,769,537**	12,076,579
Advertisement expenses	**1,033,245**	2,031,552
Rent	**1,544,804**	2,841,029
Government expenses	**1,162,335**	297,413
Stationery	**91,887**	119,864
Telephone, fax and postage	**727,463**	351,764
Legal fees	**1,195,257**	1,431,894
Total carried forward	**24.524.528**	19.150.095

	2012 AED	2011 AED
Total brought forward	**24,524,528**	19,150,095
Remuneration of Sharia Supervisory Board	**156,957**	130,595
Depreciation	**2,043,791**	1,468,351
Insurances Authority Fee	**366,591**	60,000
Consulting expenses and other professional services	**1,127,330**	514,160
Third party administration fees (TPA) - medical insurance	**1,970,697**	1,088,114
Stop loss reinsurance contributions	**1,000,000**	--
Insurance expenses	**775,565**	264,856
Maintenance expenses	**54,126**	113,762
IT expenses	**598,389**	430,603
Miscellaneous	**626,893**	722,222
Total - Exhibit B	**33,244,867**	23,942,758

25. BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of ordinary shares outstanding during the year as follows :

	2012	2011
Loss for the year attributable to equity holders of the company (AED)	**(15,858,368)**	(19,979,316)
Weighted average number of shares(share)	**150,000,000**	150,000,000
Basic loss per share (AED) - Exhibit B	**(0.106)**	(0.133)

. SEGMENT INFORMATION

Primary Segment information

The company is organized into two main business segments :

- Underwriting of takaful business insurance incorporating Health Insurance, Life Insurance and credit & saving insurance. This business is conducted fully within the U.A.E.
- Investments incorporating investments fixed deposit in local banks and investment in sukuk.

	YEAR ENDED 31 DECEMBER 2012						YEAR ENDED 31 DECEMBER 2011					
	Underwriting			Shareholders			Underwriting			Shareholders		
	Medical AED	Life AED	Total AED	Investments AED	Others AED	Total AED	Medical AED	Life AED	Total AED	Investments AED	Others AED	Total AED
Segment revenue	**36,456,196**	**4,987,948**	**41,444,144**	**2,083,411**	**11,568,478**	**13,651,889**	10,774,235	2,439,327	13,213,562	3,916,014	(1,371,564)	2,544,450
Segment result	**3,992,056**	**(257,446)**	**3,734,610**	**2,083,411**	**11,568,478**	**13,651,889**	1,363,430	255,562	1,618,992	3,716,014	(1,371,564)	2,344,450
Wakalah fees	**(9,003,377)**	**(462,608)**	**(9,465,985)**		**9,465,985**	**9,465,985**	--	--	(1,708,545)		1,708,545	1,708,545
Loss attributable to **policy holders**			**(5,731,375)**						(89,553)			
Unallocated costs						**(38,976,242)**						(24,032,311)
Net loss for the year						**(15,858,368)**						(19,979,316)

. SEGMENT INFORMATION (CONTINUED)

Other information

	YEAR ENDED 31 DECEMBER 2012						YEAR ENDED 31 DECEMBER 2011					
	Underwriting			Shareholders		Total	Underwriting			Shareholders		Total
	Medical	Life	Total	Investments	Total		Medical	Life	Total	Investments	Total	
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Segment assets	99,172,824	7,905,817	107,078,641	69,061,714	69,061,714	176,140,355	8,651,145	1,906,229	10,557,374	92,559,577	92,559,577	103,116,951
Unallocated assets	--				28,164,343	28,164,343			--		14,386,266	14,386,266
Total assets			**107,078,641**		**97,226,057**	**204,304,698**			10,557,374		106,945,843	117,503,217
Segment liabilities	107,324,622	8,455,812	115,780,434			115,780,434	11,791,624	1,736,168	13,527,792		--	13,527,792
Unallocated liabilities					3,709,273	3,709,273			--		3,302,066	3,302,066
Total liabilities			**115,780,434**		**3,709,273**	**119,489,707**			13,527,792		3,302,066	16,829,858

27. CASH AND CASH EQUIVALENTS

At 31 December 2012 and 2011 "cash and cash equivalents" included in the statement of cash flows (Exhibit D) comprise the following items :

	2012 AED	2011 AED
Cash in hand	**12,828**	13,574
Bank balances - current accounts	**9,709,091**	2,885,297
Investment deposits placed for a period of three months or less from the original date of placement	**2,000,000**	41,349,338
Total - Exhibit D	**11,721,919**	44,248,209

28. CONTINGENT LIABILITIES/COMMITMENTS

Contingent liabilities/commitments of the company as at the financial position date are as follows :

Contingent liabilities

	2012 AED	2011 AED
Letters of guarantee	**262,272**	241,272
Undated cheques issued	**100,000**	100,000

Commitments

- The company has lease agreements which are payable as follows :

	2012 AED	2011 AED
Less than one year	**1,053,917**	1,233,815
Between one and five years	**92,436**	498,520
Total	**1,146,353**	1,732,335

- **Other Commitments :**

	2012 AED	2011 AED
Commitments towards purchase of property and equipments	**251,850**	867,762

29. GENERAL

The figures in the financial statements are rounded to the nearest Arab Emirates Dirham (AED).