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

FINANCIAL STATEMENTS

31 MARCH 2011

Ernst & Young
P.O. Box 9267
28th Floor - Al Attar Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates
Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
www.ey.com/me

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

Report on the Financial Statements

We have audited the accompanying financial statements of Al Firdous Holdings (P.J.S.C.), which comprise the statement of financial position as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

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

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

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

Basis for qualified opinion

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

Ernst & Young

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

Qualified opinion

In our opinion, except for the possible effects of the matter referred to above, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, except for the effect of the matter referred to above, the financial statements include, in all material respects:

a) the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended), and the articles of association of Al Firdous Holdings (P.J.S.C.);

b) proper books of account have been kept by Al Firdous Holdings (P.J.S.C.), and the contents of the report of the Board of Directors relating to these financial statements are consistent with the books of account;

c) we have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the articles of association of Al Firdous Holdings (P.J.S.C.) have occurred during the year which would have had a material effect on the business of Al Firdous Holdings (P.J.S.C.) or on its financial position.

Ernst + Young

Ernst & Young
Signed by
Naushad Anwar
Partner
Registration No. 489
28 June 2011

Dubai, United Arab Emirates

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

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2011

	Notes	***2011 AED***	*2010 AED*
Revenue	5	**7,988,452**	524,860
Direct costs	6	**(3,425,928)**	(406,590)
Gross profit		**4,562,524**	118,270
Income on deposits		**60,466**	62,463
Other income		**67,731**	135,023
Administrative expenses	7	**(1,098,347)**	(1,019,306)
Share of revenue to property owner	8&17	**(927,483)**	-
PROFIT / (LOSS) FOR THE YEAR		**2,664,891**	(703,550)
Other comprehensive income for the year		**-**	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**2,664,891**	(703,550)
Basic and diluted earnings / (loss) per share	4	**0.0044**	(0.0012)

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

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

STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	Notes	*2011* *AED*	*2010* *AED*
ASSETS			
Non-current assets			
Property, plant and equipment	9	**217,038**	16,481
Current assets			
Accounts receivable and prepayments	10	**296,817,810**	295,768,055
Receivable on sale of the investment portfolio	11	**326,789,701**	326,789,701
Bank balances and cash	12	**5,376,505**	1,912,033
		628,984,016	624,469,789
TOTAL ASSETS		**629,201,054**	624,486,270
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**600,000,000**	600,000,000
Additional paid in capital		**894,645**	894,645
Statutory reserve	14	**3,702,051**	3,435,562
Retained earnings		**22,024,339**	19,625,937
Total equity		**626,621,035**	623,956,144
Non-current liabilities			
Employees' end of service benefits	15	**29,710**	63,350
Current liabilities			
Accounts payable and accruals	16	**2,550,309**	466,776
Total liabilities		**2,580,019**	530,126
TOTAL EQUITY AND LIABILITIES		**629,201,054**	624,486,270

Shk. Khaled Al Nahyan
Director
28 June 2011

Mr. Sherif El-Talawy
Chief Financial Officer
28 June 2011

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

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2011

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2009	600,000,000	894,645	3,435,562	20,329,487	624,659,694
Total loss and comprehensive loss for the year	-	-	-	(703,550)	(703,550)
Balance at 31 March 2010	600,000,000	894,645	3,435,562	19,625,937	623,956,144
Total income and comprehensive income for the year	-	-	-	2,664,891	2,664,891
Transfer to statutory reserve	-	-	266,489	(266,489)	-
Balance at 31 March 2011	**600,000,000**	**894,645**	**3,702,051**	**22,024,339**	**626,621,035**

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

STATEMENT OF CASH FLOWS

Year ended 31 March 2011

	Notes	*2011* *AED*	*2010* *AED*
OPERATING ACTIVITIES			
Profit / (Loss) for the year		**2,664,891**	(703,550)
Non-cash adjustments to reconcile loss to net cash flows:			
Depreciation		**31,545**	5,566
Provision for employees' end of service benefits		**9,274**	21,526
Income from deposits		**(60,466)**	(62,463)
		2,645,244	(738,921)
Working capital changes:			
Accounts receivable and prepayments		**(1,049,755)**	122,127
Accounts payable and accruals		**2,083,533**	(249,576)
		3,679,022	(866,370)
Employees' end of service benefits paid		**(42,914)**	-
Net cash from (used in) operating activities		**3,636,108**	(866,370)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(232,102)**	-
Income from deposits		**60,466**	62,463
Net cash (used in) from investing activities		**(171,636)**	62,463
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**3,464,472**	(803,907)
Cash and cash equivalents at the beginning of the year		**1,912,033**	2,715,940
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**5,376,505**	1,912,033

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

1 ACTIVITIES

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

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

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

With effect from 1 July 2010, the Company signed a memorandum of understanding with Gulf Oasis Reality, a related party, to manage, operate and maintain the Oasis Court Hotel Apartments located in Bur Dubai, Emirate of Dubai. According to the memorandum of understanding, the owner of Oasis Court Hotel Apartments is entitled to a share equivalent to 10-20% of the total room revenue (Note 8).

2 FUNDAMENTAL ACCOUNTING CONCEPT

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These financial statements are prepared under the historical cost convention.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 April 2010:

- IFRS 2 Share-Based Payment
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective 1 July 2009, including consequential amendments to IFRS 2, IFRS 5, IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items effective 1 July 2009
- IFRIC 17 Distributions of Non-cash Assets to Owners effective 1 July 2009
- Improvements to IFRSs (May 2008)
- Improvements to IFRSs (April 2009)

The effect of adoption of the standards or interpretations is described below:

IFRS 2 Share-Based Payment
The IASB issued an amendment to IFRS 2 in June 2009 on the accounting for group cash-settled share-based payment transactions. This amendment is effective for financial years beginning on or after 1 January 2010. This amendment also supersedes IFRIC 8 and IFRIC 11. The interpretation has no effect on either the financial position nor performance of the Company.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

***IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)* (continued)**
IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The change in accounting policy has no effect on either the financial position or performance of the Company.

IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as the Company has not entered into any such hedges.

IFRIC 17 *Distribution of Non-cash Assets to Owners*
This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either the financial position nor performance of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 CHANGES IN ACCOUNTING POLICIES (continued)

Improvements to IFRSs
In April 2009, the IASB issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

Issued in April 2009
IAS 7 Statement of Cash Flows: States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment has no impact on the Company as the Company classifies only those expenditure that result in recognising an asset as cash flow from investing activities.

IAS 36 Impairment of Assets: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Company as the annual impairment test is performed before aggregation.

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

Issued in May 2008
- IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*

Issued in April 2009
- IFRS 8 *Operating Segments*
- IAS 1 *Presentation of Financial Statements*
- IAS 17 *Leases*
- IAS 34 *Interim Financial Reporting*
- IAS 38 *Intangible Assets*
- IAS 39 *Financial Instruments: Recognition and Measurement*
- IFRIC 9 *Reassessment of Embedded Derivatives*
- IFRIC 16 *Hedge of a Net Investment in a Foreign Operation*

Standards issued but not yet effective
The Company has not adopted accounting standards and interpretations issued that are not yet effective. The Company intends to adopt them when they become effective. They are not likely to have any significant impact on the accounting policies, financial position or performance of the Company.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Profit on deposits is recognised as the profit accrues.

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

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

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

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

3 ACCOUNTING POLICIES (continued)

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

4 BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share is calculated by dividing the profit for the year AED 2,664,891 net of Directors' fees of AED Nil (31 March 2010: Loss of AED 703,550 net of Directors' fees of AED Nil) by the weighted average number of shares outstanding of 600,000,000 shares (31 March 2010: 600,000,000 shares) of AED 1 each outstanding during the year.

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

5 REVENUE

	2011 *AED*	*2010* *AED*
Hotel Services	**6,693,089**	-
Food and Beverages	**193,491**	-
Hajj&Umra	-	500,860
Others	**1,101,872**	24,000
	7,988,452	524,860

6 DIRECT COSTS

	2011 *AED*	*2010* *AED*
Room operation cost	**2,185,212**	-
Salaries and other benefits	**739,728**	-
Cost of food and beverages	**266,654**	-
Depreciation	**27,360**	-
Hajj&Umra office costs	**-**	231,400
Hajj& Umra ticket costs	**-**	175,190
Others	**206,974**	-
	3,425,928	406,590

7 ADMINISTRATIVE EXPENSES

	2011 *AED*	*2010* *AED*
Salaries and benefits	**823,923**	620,427
Governmental expenses	**15,375**	39,576
Professional fees	**112,500**	200,200
Travel and transportation	**-**	8,900
Marketing expenses	**93,957**	22,885
Rental - operating leases	**-**	28,613
Annual general meeting	**-**	26,236
Depreciation	**4,185**	5,566
Telephone and post	**-**	6,673
Leave salaries	**17,500**	50,408
Others	**30,907**	9,822
	1,098,347	1,019,306

8 SHARE OF REVENUE TO PROPERTY OWNER

This represents 10-20% of total room revenues payable to the owner of Gulf Oasis Reality (Note 1).

9 PROPERTY, PLANT AND EQUIPMENT

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

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

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2011 *AED*	*2010* *AED*
Due from related parties (Note 17)	**295,722,144**	295,729,635
Accounts receivable	**764,916**	-
Prepayments	**100,325**	11,250
Deposits	**166,870**	6,250
Other receivables	**63,555**	20,920
	296,817,810	295,768,055

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

As at 31 March 2011, accounts receivable at nominal value of AED Nil (2010: AED Nil) were impaired.

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

		Neither past due nor impaired	*Past due but not impaired*				
	Total *AED*	*AED*	*<30 days* *AED*	*30-60 days* *AED*	*60-90 days* *AED*	*90-120 days* *AED*	*>120 days* *AED*
2011	**764,916**	**240,165**	-	**524,751**	-	-	-
2010	-	-	-	-	-	-	-

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

11 RECEIVABLE ON SALE OF THE INVESTMENT PORTFOLIO

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

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

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

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

12 CASH AND CASH EQUIVALENTS

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

	2011 *AED*	*2010* *AED*
Bank balances and cash	**626,505**	412,033
Short term deposit	**4,750,000**	1,500,000
	5,376,505	1,912,033

The short term deposit is denominated in AED and carries an effective profit rate of 3.5% p.a. (2010: 4% p.a.).

13 SHARE CAPITAL

	2011 *AED*	*2010* *AED*
Issued and fully paid:		
600,000,000 shares @ AED 1 each (2010: 600,000,000 shares @ AED 1 each)	**600,000,000**	600,000,000

14 STATUTORY RESERVE

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

15 EMPLOYEES' END OF SERVICE BENEFITS

	2011 *AED*	*2010* *AED*
At the beginning of the year	**63,350**	41,824
Provision for the year	**9,274**	21,526
Paid during the year	**(42,914)**	-
Balance at 31 March	**29,710**	63,350

16 ACCOUNTS PAYABLE AND ACCRUALS

	2011 *AED*	*2010* *AED*
Trade payables	**647,130**	314,152
Due to related parties (Note 17)	**1,066,921**	-
Other payables	**114,551**	61,374
Accrued expenses	**721,707**	91,250
	2,550,309	466,776

17 RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	2011 *AED*	*2010* *AED*
Due from Bin Zayed Group	**5,782,160**	5,789,651
Advance against purchase of property	**289,939,984**	289,939,984
	295,722,144	295,729,635

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

For the year ended 31 March 2011, the Company has not recorded any impairment of amounts owed by related party (31 March 2010: AED Nil).

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

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

	2011 *AED*	*2010* *AED*
Other related parties	**1,066,921**	-

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

	2011 *AED*	*2010* *AED*
Share of revenue to property owner	**927,483**	-

18 COMMITMENTS

The Company has no future obligations or commitments as of 31 March 2011 (31 March 2010: Nil)

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

As of 31 March 2011, the Company is not exposed to any significant profit rate risk as the Company has no liabilities that carry profit and the fixed deposits with the bank earn a fixed rate of profit throughout the year.

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

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

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

At 31 March 2011

	3 to 12 months AED	***Total AED***
Accounts payable	**647,130**	**647,130**
Due to related parties	**1,066,921**	**1,066,921**
Other payables and accrued expenses	**836,258**	**836,258**
Total	**2,550,309**	**2,550,309**

At 31 March 2010

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

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

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

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

Currency risk
The Company is not exposed to any significant currency risk.

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Capital comprises share capital, additional paid in capital, statutory reserve and retained earnings, and is measured at AED 626,621,035 as at 31 March 2011 (2010: AED 623,956,144).

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

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

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

21 KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

At the statement of financial position date, gross accounts receivable including the receivable on sale of the investment portfolio and due from related party were AED 623,276,761 (31 March 2010: AED 622,519,336) and allowance for doubtful debts was AED Nil (31 March 2010: Nil).

21 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Use of estimates (continued)

Useful lives and depreciation of property, plant and equipment

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