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

FINANCIAL STATEMENTS

31 MARCH 2009

Ernst & Young

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

Report on the Financial Statements

We have audited the accompanying financial statements of Al Firdous Holdings (P.J.S.C.) [formerly Manasek (P.J.S.C.)] and its subsidiary (together the "Group"), which comprise the balance sheet as at 31 March 2009 and the income statement, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the articles of association of Al Firdous Holdings (P.J.S.C.) [formerly Manasek (P.J.S.C.)] and the UAE Commercial Companies Law of 1984 (as amended). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

ERNST & YOUNG

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

Ernst & Young

Ernst & Young

Signed by
Naushad Anwar
Partner
Registration No. 489
30 June 2009

Dubai, United Arab Emirates

INCOME STATEMENT
Year ended 31 March 2009

	Notes	*2009* *AED*	*2008* *AED* *(Restated)*
Revenue	4	**1,721,412**	2,699,189
Direct costs	5	**(1,608,767)**	(8,250,621)
Gross profit		**112,645**	(5,551,432)
Processing fees, net	6	-	11,496,974
Income on deposits		**22,427**	6,435,833
Other income	7	**691,787**	504,262
Gain on sale of trading securities		**2,355,310**	12,322,861
Administrative expenses	8	**(1,710,445)**	(673,800)
Amortisation of intangible assets	14	**(2,238,225)**	(9,890,573)
Foreign exchange gain (loss)		**3,700**	(417,155)
(Loss) /Profit for the year before discontinued operations and loss on disposal of investment portfolio		**(762,801)**	14,226,970
Profit/(loss) from discontinued operations	10	**17,286,542**	(4,848,691)
Profit for the year after discontinued operation and loss on disposal of investment portfolio		**16,523,741**	9,378,279
Loss on disposal of investment portfolio	15	**(434,222)**	-
PROFIT FOR THE YEAR		**16,089,519**	9,378,279
Basic and diluted earnings per share	3	**0.0256**	0.0207

The attached notes 1 to 30 form part of these financial statements.

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

BALANCE SHEET

At 31 March 2009

	Notes	*2009* *AED*	*2008* *AED* *(Restated)*
ASSETS			
Non-current assets			
Islamic financing and investing assets	15,17 & 25	-	90,315,019
Property, plant and equipment	12	22,047	17,015,566
Goodwill	13,14 & 15	-	82,164,162
Intangible assets	13,14 & 15	-	19,147,645
		22,047	208,642,392
Current assets			
Inventories		-	1,349,571
Accounts receivable and prepayments	16	295,890,182	246,864,516
Receivable on sale of investment portfolio	17	326,789,701	-
Investments	18	-	114,625,184
Bank balances and cash	19	2,715,940	122,830,382
		625,395,823	485,669,653
TOTAL ASSETS		625,417,870	694,312,045
EQUITY AND LIABILITIES			
Equity			
Share capital	20	600,000,000	600,000,000
Additional paid in capital		894,645	894,645
Statutory reserve	21	3,435,562	1,826,610
Retained earnings		20,329,487	6,548,920
Total equity		624,659,694	609,270,175
Non-current liabilities			
Employees' end of service benefits	22	41,824	1,041,100
Murabaha financing	23	-	546,943
		41,824	1,588,043
Current liabilities			
Accounts payable and accruals	24	716,352	83,180,355
Murabaha financing	23	-	273,472
		716,352	83,453,827
Total liabilities		758,176	85,041,870
TOTAL EQUITY AND LIABILITIES		625,417,870	694,312,045

Chairman
30 June 2009

Director
30 June 2009

The attached notes 1 to 30 form part of these financial statements.

STATEMENT OF CASH FLOWS
Year ended 31 March 2009

	Notes	***2009*** ***AED***	*2008* *AED* *(Restated)*
OPERATING ACTIVITIES			
Profit for the year		**16,089,519**	9,378,279
Adjustments for:			
Depreciation		**5,054**	-
Amortisation of intangible assets	14	**2,238,225**	9,890,573
Provision for employees' end of service benefits		**12,545**	6,747
Net gain on trading securities		**(2,355,310)**	(12,322,861)
Dividend and income from deposits		**(600,906)**	(6,815,094)
Loss on sale of investment portfolio		**434,222**	-
		15,823,349	137,644
Working capital changes:			
Accounts receivable and prepayments		**(265,749,354)**	(257,821,227)
Accounts payable and accruals		**(74,550,349)**	74,811,346
Cash used in operations		**(324,476,354)**	(182,872,237)
Cash from operating activities from discontinued operations		**42,803,803**	56,560,461
Net cash used in operating activities		**(281,672,551)**	(126,311,776)
INVESTING ACTIVITIES			
Purchase of islamic financing and investing assets		**90,315,019**	(90,315,019)
Purchase of property, plant and equipment		**(4,209)**	(22,888)
Dividend and income from deposits		**600,906**	6,815,094
Purchase of trading securities		**-**	(114,625,184)
Proceeds from sale of trading securities		**116,980,494**	12,322,861
Acquisition of a subsidiary, net of cash acquired		**-**	(147,250,944)
Cash used in investing activities from discontinued operations		**(45,035,984)**	(17,161,828)
Net cash from (used in) investing activities		**162,856,226**	(350,237,908)
FINANCING ACTIVITIES			
Proceed from issue of shares	20	**-**	590,000,000
Directors' fees paid		**(700,000)**	-
Cash used in financing activities from discontinued operations		**(598,117)**	(953,993)
Net cash (used in) from financing activities		**(1,298,117)**	589,046,007
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(120,114,442)**	112,496,323
Cash and cash equivalents at the beginning of the year		**122,830,382**	10,334,059
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**2,715,940**	122,830,382

The attached notes 1 to 30 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2009

	Share capital AED	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings AED*	*Total AED*
Balance at 1 April 2008 as previously reported	600,000,000	894,645	1,826,610	16,439,493	619,160,748
Adjustment resulting from purchase price allocation exercise (Note 30)	-	-	-	(9,890,573)	(9,890,573)
Balance at 1 April 2008 (restated)	600,000,000	894,645	1,826,610	6,548,920	609,270,175
Profit for the year	-	-	-	16,089,519	16,089,519
Directors' fees	-	-	-	(700,000)	(700,000)
Transferred to statuary reserve	-	-	1,608,952	(1,608,952)	-
Balance at 31 March 2009	**600,000,000**	**894,645**	**3,435,562**	**20,329,487**	**624,659,694**

The attached notes 1 to 30 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (continued)
Year ended 31 March 2009

	Share capital AED	*Proposed increase in share capital AED*	*Additional paid in capital AED*	*Statutory reserve AED*	*Retained earnings (accumulated loss) AED*	*Total AED*
Balance at 1 April 2007	10,000,000	-	894,645	-	(1,002,749)	9,891,896
Proposed increase in share capital	-	590,000,000	-	-	-	590,000,000
Issue of shares	590,000,000	(590,000,000)	-	-	-	-
	600,000,000	-	894,645	-	(1,002,749)	599,891,896
Profit for the year	-	-	-	-	19,268,852	19,268,852
Transferred to statutory reserve	-	-	-	1,826,610	(1,826,610)	-
Balance at 31 March 2008	600,000,000	-	894,645	1,826,610	16,439,493	619,160,748

The attached notes 1 to 30 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 Group consisted 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 17).

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

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The presentation currency of the financial statements is United Arab Emirates Dirhams (AED).

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of UAE Law.

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

2 ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES

Standards, amendments and interpretations effective in 2008 but not relevant to the Group's operations

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Group's operations:

IFRIC 11 IFRS 2 - 'Group and Treasury Share Transactions'
IFRIC 12 'Service Concession Arrangements'; and
IFRIC 14 IAS 19 - 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

IASB Standards and Interpretations issued but not yet effective
At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IFRS 2 'Share-based Payment – Vesting Conditions and Cancellations'
IFRS 8 Operating Segments
IAS 1 Presentation of Financial Statements
IAS 23 Borrowing Costs
IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'
IFRIC 13 Customer Loyalty Programmes
IFRIC 15 Agreement for the Construction of Real Estate

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

Improvements to IFRSs
In May 2008 IASB issued its first omnibus of amendments to its Standards primarily with a view to removing inconsistencies and clarifying wordings. There are separate transitional provisions for each Standard. All such improvements are applicable from future dates and none of them are considered significant by the Company. The Company has also concluded that there is no significant impact on its financial statements of any changes made by IASB in its Standards as part of such improvements.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Profit on deposits is recognised as the profit accrues using an effective profit rate, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Rental income from letting out of properties is apportioned to income on a time-proportion basis.

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

2 ACCOUNTING POLICIES (continued)

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

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

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 income statement 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 income statement. 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.

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

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

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

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

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

2 ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (excluding goodwill) (continued)
The amortisation expense on intangible assets with finite useful lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

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

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

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

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

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

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

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

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

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

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

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

2 ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-trading investments

These are classified as follows:

- Held to maturity
- Investments carried at fair value through income statement
- Available for sale

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

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

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

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

After initial recognition, securities which are classified "available for sale" are normally remeasured at fair value unless fair value cannot be reliably determined in which case they are measured at cost less impairment. Fair value changes are reported as a separate component of equity until the security is derecognised or the security is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported as "cumulative changes in fair value" within equity is included in the income statement for the period.

Impairment of financial assets
The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Provisions are made for damaged and obsolete inventories, if any.

2 ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, bank balances and short term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Pensions and employees' end-of-service benefits

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

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

Saudi Arabia
Benefits payable to the employees of the subsidiary at the end of their services are provided for in accordance with the guidelines set by the Labor Law applicable in Saudi Arabia.

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

Derecognition of financial assets and financial liabilities

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

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

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

2 ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

As at the reporting date, the assets and liabilities of subsidiaries with functional currencies other than AED are translated into AED at the rate of exchange ruling at the balance sheet date and, their income statements are translated at the weighted average exchange rates for the year.

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

Foreign group companies
The balance sheets of overseas subsidiaries, joint venture and associates are translated using the closing rate method, whereby assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. The income statements of overseas subsidiaries and joint ventures are translated at average exchange rates for the year. Exchange differences arising on the retranslation of net assets are taken directly to equity. Goodwill and fair value adjustments arising on business combinations are treated as assets of the foreign operation.

On the disposal of a foreign entity, accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal.

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

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

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

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

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

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

2 ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year net of Directors' fees of AED 700,000 (31 March 2008: restated profit of AED 9,378,279 net of Directors' fees of Nil) by the weighted average number of shares of 600,000,000 (31 March 2008: 452,500,000) of AED 1 each outstanding during the year.

The figures for basic and diluted earnings per share are the same as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

4 REVENUE

	2009	*2008*
	AED	*AED*
Hajj	**48,627,547**	32,683,041
Umra	**25,522,084**	12,857,772
Hotel Services	**44,110,366**	46,608,627
Food and Beverages	**5,215,552**	7,253,059
Others	**1,871,175**	727,457
Less: Related to subsidiary (Note 10)	**(123,625,312)**	(97,430,767)
Total revenue	**1,721,412**	2,699,189

5 DIRECT COSTS

	2009	*2008*
	AED	*AED*
Lease payments	**47,642,254**	45,441,639
Omra office costs	**24,251,617**	11,146,205
Salaries and other benefits	**4,588,970**	5,885,032
Cost of food and beverages	**4,048,323**	4,915,985
Depreciation	**4,041,254**	4,611,197
Water and electricity	**2,805,812**	3,205,331
Repairs and maintenance	**1,347,439**	1,421,431
Hajj ticket costs	**970,000**	398,410
Other hajj costs	**638,767**	183,272
Other operating expenses	**2,735,190**	1,839,671
Less: Related to subsidiary (Note 10)	**(91,460,859)**	(70,797,552)
	1,608,767	8,250,621

6 PROCESSING FEES

	2009 AED	2008 AED
Share capital increase processing fees	-	11,800,000
Less: share capital increase expenses	-	(303,026)
	-	11,496,974

Processing fees represent fees of AED 0.02 per share, collected upon subscription to the additional 590,000,000 shares issued during the prior year.

7 OTHER INCOME

	2009 AED	2008 AED
Dividend income	**578,479**	379,261
Other	**113,308**	125,001
	691,787	504,262

8 ADMINISTRATIVE EXPENSES

	2009 AED	2008 AED
Salaries and benefits	**4,615,894**	2,395,448
Governmental expenses	**1,636,812**	1,853,315
Professional fees	**695,787**	-
Travel and transportation	**413,150**	685,814
Marketing expenses	**39,050**	369,366
Repairs and maintenance	**227,852**	269,147
Stationery and printing	**151,833**	118,050
Rent	**113,542**	109,002
Annual General Meeting	**111,298**	100,000
Insurance	**12,396**	104,985
Depreciation	**538,770**	75,324
Telephone and post	**324,044**	57,616
Leave salaries	**28,617**	16,333
Bad debts written off (Note 16)	**3,134,720**	-
Others	**3,734,995**	2,482,163
Less: Related to subsidiary (Note 10)	**(14,068,315)**	(7,962,763)
	1,710,445	673,800

9 PROPERTY AND EQUIPMENT WRITTEN OFF

During the prior year, the subsidiary held leases for buildings surrounding the Haram in Makkah, Saudi Arabia. The Government of Saudi Arabia ordered the evacuation of such buildings for a new expansion project for the Haram. As a result, the subsidiary evacuated five hotels and the related leasehold improvements and certain other assets of a net book value of SR 22,659,675 (AED 22,197,418) were written off.

10 DISCONTINUED OPERATIONS

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

The results of subsidiary are presented below:

		2009 ***1 April 2008 to 31 December 2008*** ***AED***	*2008* *14 July 2007 to 31March 2008* *AED*
Revenue	4	**123,625,312**	97,430,767
Direct costs	5	**(91,460,859)**	(70,797,552)
Gross profit		**32,164,453**	26,633,215
Property, plant and equipment written off	9	-	(22,197,418)
Loss on sale of property, plant and equipment		-	(108,224)
Administrative expenses	8	**(14,068,315)**	(7,962,763)
Finance cost		-	(331,623)
Profit / (loss) for the subsidiary before Zakat		**18,096,138**	(3,966,813)
Zakat	11	**(809,596)**	(881,878)
Profit (loss) from discontinued operations		**17,286,542**	(4,848,691)

In order to facilitate comparison with the previous year, prior year amounts have been reclassified to disclose the results of subsidiary for the period ended 31 March 2008. Such reclassification does not affect previously reported profit or total equity.

11 ZAKAT

The subsidiary has accrued for Zakat in accordance with the provisions and rules of Zakat applied in the Kingdom of Saudi Arabia. Such provision is charged to the income statement up to the date of sale of the subsidiary.

12 PROPERTY, PLANT AND EQUIPMENT

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

	Furniture and fixtures AED	*Machinery and equipment AED*	*Leasehold improvements AED*	*Motor vehicles AED*	*Advertisement boards AED*	*Total AED*
Cost:						
At 1 April 2007	78,915	115,900	-	5,500	-	200,315
Acquired on business combination	3,186,686	2,962,362	19,865,426	704,307	104,228	26,823,009
Additions	3,510,865	1,053,843	15,542,823	547,452	133,309	20,788,292
Assets written off	-	-	(22,197,418)	-	-	(22,197,418)
Disposals	(573,770)	(765,990)	(3,799,271)	(59,512)	(140,091)	(5,338,634)
At 31 March 2008	6,202,696	3,366,115	9,411,560	1,197,747	97,446	20,275,564
Depreciation:						
At 1 April 2007	78,914	115,898	-	5,499	-	200,311
Depreciation charge for the year	919,357	663,119	2,798,809	288,463	16,773	4,686,521
Relating to disposals	(614,421)	(575,495)	(359,471)	(63,134)	(14,313)	(1,626,834)
At 31 March 2008	383,850	203,522	2,439,338	230,828	2,460	3,259,998
Net carrying amount:						
At 31 March 2008	5,818,846	3,162,593	6,972,222	966,919	94,986	17,015,566

13 BUSINESS COMBINATION

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

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

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

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

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

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

14 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill:
Goodwill was restated following the finalisation of fair value adjustments made to the identifiable assets and liabilities acquired on business combinations made in the prior year (Note 13).

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

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

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

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

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

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

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

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

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

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

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

14 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Movement in the intangible assets are as follows:

	2009 ***AED***	*2008* *AED* *(Restated)*
Balance at 1 April	**19,147,645**	-
Acquired on business combination	-	29,038,218
Charge for the year	**(2,238,225)**	(9,890,573)
Transfer on sale of subsidiary	**(16,909,420)**	-
Balance at 31 March	-	19,147,645

The Company amortises the intangible assets over the periods in which they provide benefits to the Group. During the year an amortisation expense of AED 2,238,225 has been recognised up to the date of sale of the subsidiary (2008: AED 9,890,573).

15 DISPOSAL OF INVESTMENT PORTFOLIO

In the Board of Directors meeting held on 1 March 2009, the Directors resolved to dispose of the investment portfolio with effect from 1 January 2009 for a consideration of AED 326,789,701(Note 17). Its consists of 100% interest in Al Firdous Group Co Ltd for Hotels (a 100% subsidiary) and Islamic financing and investing assets in Sharia complaint real estate projects in the Kingdom of Saudi Arabia. The disposal resulted in a loss of AED 434,222, which is included in the consolidated income statement and is calculated as follows:

	AED
Carrying value of total assets of the subsidiary as on the date of sale	**141,815,740**
Less carrying value of liability of the subsidiary as on the date of sale	**(8,347,472)**
Net assets of the subsidiary	**133,468,268**
Carrying value of goodwill at the date of disposal	**82,164,162**
Carrying value of intangible assets at the date of disposal	**16,909,420**
Carrying value of islamic financing and investing assets	**94,682,073**
	327,223,923
Less consideration on sale of investment portfolio (Note 17)	**(326,789,701)**
Loss on disposal	**434,222**

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009 ***AED***	*2008* *AED*
Trade receivables	-	12,224,693
Due from related parties (Note 25)	**295,841,527**	170,102,446
Prepayments	**19,075**	62,026,492
Deposits	**14,869**	753,575
Other receivables	**14,711**	1,757,310
	295,890,182	246,864,516

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

As at 31 March 2009, trade receivables at nominal value of AED Nil (2008: AED 2,048,606) were impaired.

16 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

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

	2009 ***AED***	*2008* *AED*
At the beginning of the year	**2,048,606**	-
Charge for the year	**-**	2,048,606
Amounts written off (Note 8)	**(2,048,606)**	-
At 31 March	**-**	2,048,606

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

			Past due but not impaired				
	Total *AED*	*Neither past due non impaired* *AED*	*<30 days* *AED*	*30-60 days* *AED*	*60-90 days* *AED*	*90-120 days* *AED*	*>120 days* *AED*
2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2008	12,224,693	-	1,908,847	6,224,366	2,905,016	167,193	1,019,271

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.

17 RECEIVABLE ON SALE OF INVESTMENT PORTFOLIO

This represents the amount receivable from Islamic Arab Insurance Co. Labuan, Malaysia on sale of the investment portfolio of the Group comprising Al Firdous Group Co Ltd for Hotels, a wholly owned subsidiary, and Islamic investing and finance assets with Al Masaa Co for urban development. This amount is guaranteed by a related party (Note 25).

18 INVESTMENTS

	2009 ***AED***	*2008* *AED*
Trading securities		
Quoted shares	**-**	114,625,184

Trading investments represented an equity investment portfolio managed by EFG Hermes (local broker in United Arab Emirates).

During the year, the Company sold all its equity investments.

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the cash flow statement consist of the following balance sheet amount:

	2009 *AED*	*2008* *AED*
Bank balances and cash	**715,940**	119,130,382
Short term deposit	**2,000,000**	3,700,000
	2,715,940	122,830,382

The short term deposit is denominated in AED and carries an effective profit rate of 5% p.a. (2008: 1.5% p.a.).

20 SHARE CAPITAL

	2009 *AED*	*2008* *AED*
Issued and fully paid:		
600,000,000 shares @ AED 1 each		
(2008: 600,000,000 shares @ AED 1 each)	**600,000,000**	600,000,000

In the extraordinary general meeting held on 7 May 2007, the shareholders resolved to increase the Company's share capital from AED 10,000,000 to AED 600,000,000 through the issuance of 590,000,000 shares of AED 1 each to its shareholders. The legal formalities to register the new share capital were completed on 3 July 2007.

21 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 transfer for the prior year has been made on profit for the prior year net of accumulated losses. The reserve is not available for distribution except in the circumstances stipulated by the Law.

22 EMPLOYEES' END OF SERVICE BENEFITS

	2009 *AED*	*2008* *AED*
At the beginning of the year	**1,041,100**	22,532
Acquired on business combination	-	933,853
Provision for the year	**215,470**	84,715
Transfer on sale of subsidiary	**(1,214,746)**	-
Balance at 31 March	**41,824**	1,041,100

23 MURABAHA FINANCING

The Murabaha financing balance was fully paid during the year.

24 ACCOUNTS PAYABLE AND ACCRUALS

	2009 AED	2008 AED
Trade payables	**319,919**	3,498,740
Other payables	**125,168**	74,780,642
Accrued expenses	**271,265**	4,000,108
Accrued revenue	-	900,865
	716,352	83,180,355

25 RELATED PARTY BALANCES AND TRANSACTIONS

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

a) Balances with related parties included in the balance sheet are as follows:

	2009 AED	2008 AED
Due from Bin Zayed Group	**5,901,543**	-
Advance against purchase of property	**289,939,984**	170,102,446
	295,841,527	170,102,446

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

For the year ended 31 March 2009, the Company has not recorded any impairment of amounts owed by related party (31 March 2008: AED Nil).

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

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

	2009 AED	2008 AED
Balance at the beginning of the year	**90,315,019**	-
Payment made during the year	**4,367,054**	90,315,019
Disposal during the year (Note 15)	**(94,682,073)**	-
Balance at 31 March	-	90,315,019

c) Against the amount receivable on sale of the investment portfolio, the Company obtained a guarantee letter from Bin Zayed Group, a related party. The security provided by the related party is a plot of land located in Dubai, United Arab Emirates and was appraised by an independent property consultant at AED 640,000,000 as of 31 October 2008.

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

	2009 AED	2008 AED
Short term benefits	**700,000**	600,331

26 COMMITMENTS

During the prior year, the subsidiary has signed lease contracts over rented buildings for a period of 2 to 15 years, and the majority of the lease agreements are renewable at the end of the lease period at market rates. The lease expenditure charged to the income statement during the year is disclosed in note 5.

The future aggregate minimum lease payments under operating leases are as follows:

	2009 *AED*	*2008* *AED*
Not later than 1 year	-	61,713,167
Later than 1 year and no later than 5 years	-	218,016,510
Later than 5 years	-	133,548,868
Total	-	413,278,545

The Company has no future obligations or commitments as of 31March 2009.

27 SEGMENTAL INFORMATION

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

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

27 SEGMENTAL INFORMATION (continued)

2008:

	U.A.E corporate 2009 AED	*Kingdom of Saudi Arabia haj and umra 2009 AED*	*Total 2009 AED*
Revenues	2,699,189	97,430,767	100,129,956
Processing fees	11,800,000	-	11,800,000
Income on deposits	6,435,833	-	6,435,833
Other income	504,262	-	504,262
Depreciation	-	4,686,522	4,686,522
Operating lease commitment	-	413,278,545	413,278,545
Segment profits/(losses)	14,226,970	(4,848,691)	9,378,279
Total assets	573,209,063	121,102,982	694,312,045
Total liabilities	75,295,980	9,745,890	85,041,870

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade payables and other 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 trade receivables, bank balances and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Company's financial instruments are profit rate risk, credit risk, liquidity risk, currency risk and equity price 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.

The Company is exposed to profit rate risk on its profit bearing assets (bank deposits). The Company's profit bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market profit rates on its financial position and cash flows. As of 31 March 2009, the Company is not exposed to any significant profit rate risk.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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. 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 2009, based on contractual payment dates and current market interest rates.

At 31 March 2009

	Less than 3 months AED	***3 to 12 months AED***	***1 to 5 years AED***	***>5 years AED***	***Total AED***
Accounts payable	-	319,919	-	-	319,919
Other payables and accrued expenses	-	396,433	-	-	396,433
Murabaha financing	-	-	-	-	-
Total	-	716,352	-	-	716,352

At 31 March 2008

	Less than 3 months AED	*3 to 12 months AED*	*1 to 5 years AED*	*>5 years AED*	*Total AED*
Accounts payable	431,923	2,819,811	180,539	66,467	3,498,740
Other payables and accrued expenses	74,780,642	4,000,108	-	-	78,780,750
Murabaha financing	-	277,424	554,847	-	832,271
Total	75,212,565	7,097,343	735,386	66,467	83,111,761

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, investments, and receivable on sale of the investment portfolio, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Currency risk
The functional currency of the Company is the UAE Dirham. The Company is not exposed to any other significant currency risk.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk
The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown

	Increase/ decrease in equity price	*Effect on profit before tax AED*
2009	**+5%**	**-**
	-5%	**-**
2008	+5%	5,731,259
	-5%	(5,731,259)

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company fully complied with the externally imposed capital requirements and no changes were made in the objectives, policies or processes during the years ended 31 March 2009 and 31 March 2008.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities.

Financial assets consist of cash and bank balances, investments, Islamic financing assets and due from related party. Financial liabilities consist of payables and accrued liabilities and murabaha financing.

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

30 RESTATEMENT OF PRIOR YEAR AMOUNTS

During the year, the Company completed the Purchase Price Allocation (PPA) exercise for the business combination made in the prior year. This has resulted in a restatement of the balance sheet, income statement, cash flow statement and statement of changes in equity.

30 RESTATEMENT OF PRIOR YEAR AMOUNTS (continued)

The specific line items to which restatement adjustments have been made in the balance sheet as at 31 March 2008 are as follows:

BALANCE SHEET

	31 March 2008 AED (Restated)	*31 March 2008 AED (Original)*	*AED (Variance)*
ASSETS			
Non-current assets			
Goodwill	**82,164,162**	111,202,380	(29,038,218)
Intangible assets, net of amortization	**19,147,645**	-	19,147,645
TOTAL ASSETS	**694,312,045**	704,202,618	(9,890,573)

The assets, equity and liabilities have been restated to incorporate adjustments to the provisional values as a result of the completion of accounting for business combinations.

The specific line items to which restatement adjustments have been made in the income statement for the year ended 31 March 2008 are as follows:

INCOME STATEMENT

	2008 AED (Restated)	*2008 AED (Original)*	*AED (Variance)*
Amortisation of intangible assets	**9,890,573**	-	9,890,573
Profit before Zakat	**10,260,157**	20,150,730	9,890,573
Profit for the year	**9,378,279**	19,268,852	9,890,573

Due to the above mentioned adjustments to the balance sheet and the income statement, restatements have been made to the statement of changes in equity and the cash flow statement to reflect the above changes.