Transguard Group

Annual Report 2010/2011

His Highness Sheikh Mohammed bin Rashid Al-Maktoum

Vice President and Prime Minister of the UAE and Ruler of Dubai


الأمن
SECURITY

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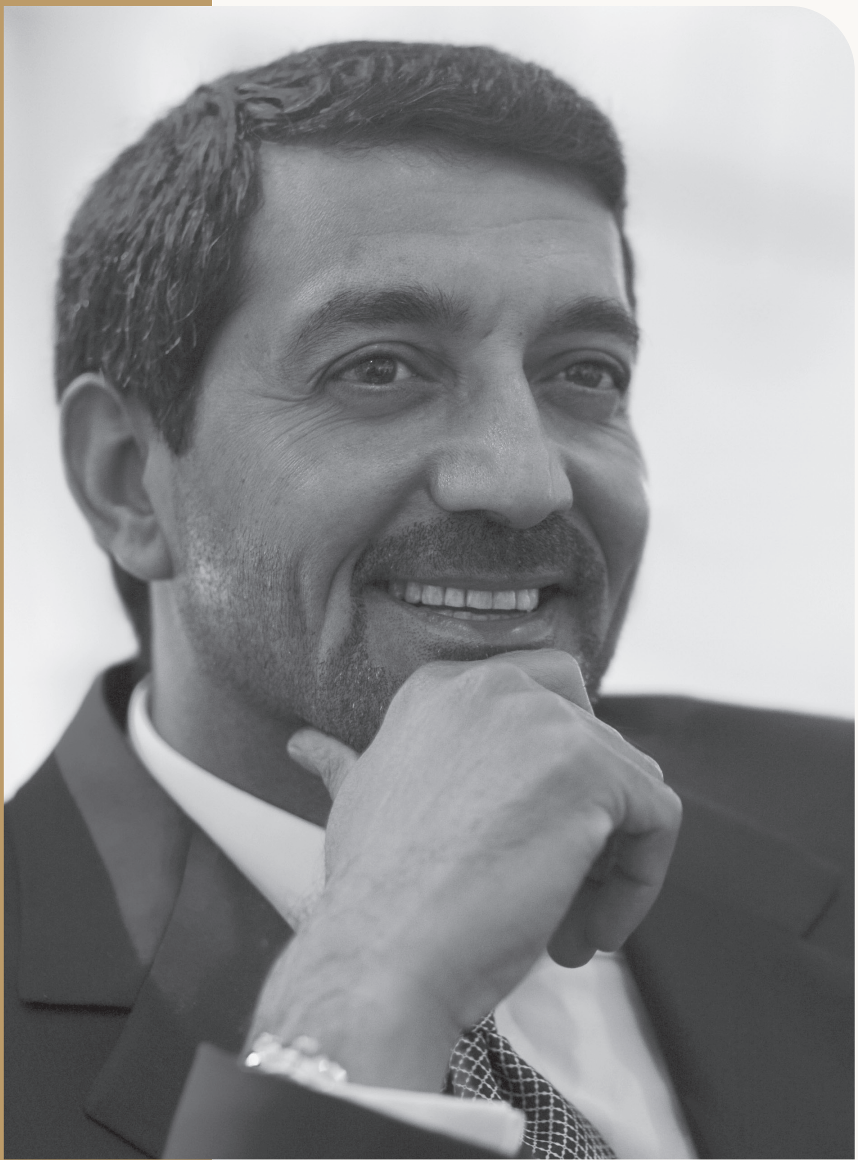


His Highness Sheikh Ahmed bin Saeed Al-Maktoum

Chairman and Chief Executive,
Emirates Airline & Group

The Transguard Group continues to build its position as one of the leading business support services companies in the region

Message from the Chairman

The Transguard Group continues to build its position as the leading business support services company in the region. Transguard's commercial success is, in great part, built on its ability to develop and adapt its service capabilities to match the evolving demands of the diverse industries it serves. Similar to the development of Dubai as an international hub for commerce and industry, Transguard has also evolved in order to anticipate and exceed the changing needs of its customers.

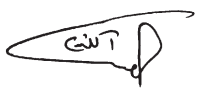
In the financial year 2010-2011, the company has achieved a turnover of AED 522 million and a recorded profit of AED 89 million. The next year will see this trend continue with significant developments in both the Facilities Management (FM) and Cash Services businesses. In particular, the ability to offer complete end-to-end cash and ATM management will greatly benefit the region's expanding banking and finance sectors reinforcing Transguard's position as an industry leader.

Consolidating the security and FM services businesses into an integrated FM solution is yet another example of Transguard taking the lead and providing its customers with a distinct market advantage.

Transguard is an integral part of the Emirates Group and subsequently, the range and scope of the services it provides in support of our airport operations continues to develop. This collaboration is underlined by the fact that more than 4,000 Transguard staff are currently employed at Dubai International Airport, providing the key support needed to maintain smooth operations.

Prioritising sustainability will be a key business objective for Transguard in the upcoming year; with great effort being made to ensure that business practices are socially and environmentally responsible.

The next 12 months will be an important period for the Transguard Group. The strategic initiatives it has put it in place will continue to support Transguard's status as a market leader.



Ahmed bin Saeed Al-Maktoum
Chairman and Chief Executive,
Emirates Airline & Group

Dr Abdulla Al Hashimi
Chief Executive Officer, Transguard Group LLC

In 2011, our key goal will be to develop both the scope and the sophistication of our core business units' service capabilities

Message from the Chief Executive Officer

The 2010-2011 financial year has been one of sound commercial success for the Transguard Group and one in which the business has maintained its robust financial performance.

The group has been further restructured in the last year and now comprises three core business units: Facilities Management (FM) Services which now encompasses all of the group's business support operations; Cash Services which provides cash management solutions to the region's banking, finance and retail sectors; and Projects which delivers a range of building and installation projects.

The FM Services business continues to build on Transguard's outstanding reputation in the security industry and on our ability to deliver high quality hospitality, housekeeping, cleaning and building maintenance services. The next 12 months will see the development of these service offerings into a true Integrated FM (IFM) capability that can provide total-managed business support solutions to our clients.

Security remains one of our key focuses and we will continue to develop our specialist manned, physical and technological security solutions, complementing and adding value to the IFM business.

FM Services' outsource division continues to diversify into new markets; complementing its traditional skilled and semi-skilled manpower supply business with a growing portfolio of administrative, management and office support services. In the next year, these services will be fully integrated into the wider FM offering and will form an intrinsic part of our IFM business.

FM Services plays an important role for the wider Emirates Group by delivering a comprehensive range of airport services which provide valuable support to our parent company's operations at Dubai International Airport. Going forward, the infrastructure, skills and resources are in place to meet any increased requirements that the continuing success and growth of the Emirates Group will demand.

Our Projects business, specializing in office and interior fit-outs, mechanical, electrical and plumbing (MEP) installations, and integrated technology solutions, is now firmly established and will see further substantial growth through 2011-2012.

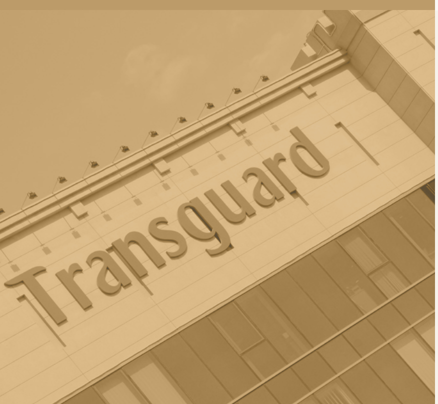
The Cash Services business maintains its market-leading position in the region. The key to its success has been the ability to develop solutions that both anticipate and meet the increasingly sophisticated needs of the UAE's banking and finance industries. The strategic partnership with Network International will facilitate the next stage in its development with the rolling out of a complete suite of end-to-end ATM management services; enhancing the existing services to provide a unique offering to the region's banking community.

2011-2012 will be a challenging but rewarding period. Our key goals will be to develop both the scope and the sophistication of our core business units' service capabilities, while ensuring our corporate infrastructure maintains the robustness and rigidity to support them.

It only remains for me to thank all my colleagues at Transguard for their continued hard work and for playing their part in another successful year for the group.

Dr Abdulla Al Hashimi
Chief Executive Officer
Transguard Group

Mike McGeever
Managing Director, Transguard Group LLC



We will remain sensitive to the changing, expanding needs and demands of our clients and their markets

Message from the Managing Director

I am delighted to report that the Transguard Group has recorded a strong performance during the financial year 2010-2011. The group's commercial achievements are highlighted by a net profit of AED 89m, derived from revenue of AED 522m.

In the last 12 months we have maintained our strategy of rigorous commercial consolidation and financial management. We have emerged from the challenging global conditions with renewed stability and firmly laid foundations from which we can continue to grow.

Our key strategies for development over the coming year will continue to be investment in people and technology, implementation of international best practices, and forming strategic business alliances and partnerships. Most importantly, we will remain sensitive to the changing, expanding needs and demands of our clients and their markets.

Transguard's philosophy of recruiting the best people and nurturing its in-house talent has been a major contributor to our past success. This year we are introducing some innovative programmes that will offer exceptional young people the opportunity to build a career with the company while at the same time expanding the range of experience, skills and talents within the group.

These include our partnership with the Swiss Hospitality Management School (SHMS) in Montreux which will see us offering internships for students with the potential to become future leaders and senior managers, plus the introduction of an apprenticeship initiative that will bring to Dubai a group of junior management trainees, drawn from the brightest students from Christel House, the school we sponsor in Bangalore. We are also giving key members of our teams the opportunity to study for their MBAs, to further develop their management skills.

There has been significant investment in the technology and the support systems and processes, which underpin the group's infrastructure. Key among these is the project to implement Oracle HCM across the group, giving long term support to many of our critical business functions.

Operationally, our integrated security solutions business continues to be at the forefront of technology. Plans for the implementation of an upgraded industry standard Computer Aided Facilities Management (CAFM) system will lend greater support to our Facilities Management operations, which have continued to grow in sophistication, and will develop in tandem with the evolving demands of our clients.

Strategic partnerships will also play a significant role in our future development strategy. Our recent alliance with Network International will enable our Cash Services business to maintain its position as the number one provider in the region by offering a greater range of services to the banking and finance industries.

A top priority for the group is our commitment to minimizing the impact our business operations have on the environment

The last year has also seen continued consolidation and reorganisation of our support services functions and one of the most important among these has been the creation of the Integrated Management System (IMS) department, bringing together the group's Quality and Health, Safety and Environment (HSE) functions.

IMS focuses on our business process in a unified manner and will strengthen standards across the organisation. Its key goals will be to achieve ISO 14001 Environment Management System and OSHAS 18001 Occupational Safety Management System compliance in the next financial year, complementing our existing ISO 9001 certification.

We have also significantly strengthened our Human Resources (HR) function by creating a central recruitment team that is developing partnerships and relationships with global agencies, embassies, and overseas Government authorities, to ensure our recruitment practices continue to meet the leading standards and that we are able to attract the highest caliber of candidates.

Further investment in our IT, Financial Management and Legal Services teams has reinforced the rigidity of the infrastructure that lies at the heart of the group and allows us to focus on meeting the commercial, economic, and corporate growth targets that we have set ourselves going forward.

A top priority for the group is our commitment to minimizing the impact our business operations have on the environment. Our starting point in 2010-2011 was to measure our environmental footprint and to set rigorous reduction targets for 2011-2012. A group-wide committee has now been established and is introducing a range of technological, behavioral, procurement and other initiatives to ensure we meet, and ideally beat, these targets. Furthermore, a significant percentage of any financial savings are to be re-invested in our staff welfare initiatives.

The next 12 months will be an important period for the group and one with a diverse set of targets and goals which will only be achieved with the continued strength, dedication and loyalty of the entire Transguard team.

I would like to take this opportunity to thank each and every member of the team for their efforts over the past year. I look forward, with the continued support of our entire team, to an equally or more successful year to come.

Mike McGeever
Managing Director
Transguard Group LLC

John Nolan
Chief Financial Officer, Transguard Group LLC

We continue to invest in human capital, with particular focus on a commitment to continuously improve personal development and health and safety programmes

Message from the Chief Financial Officer

Revenue for the year ended 31st March 2011 was AED 522,878,658 which produced a gross profit of AED 137,987,040, while the group's reported net profit of AED 89,673,410 was derived from a combination of its operational performance and a number of exceptional items.

I am delighted to report the company has come through a challenging trading period, such that the current year's results reflect an improved profit and a healthy mix of revenue streams across the group's main businesses of Cash Services, Facilities Management (FM) Services and Projects.

Throughout the year, a number of initiatives were taken to manage costs, including:

- Restructuring the group's banking facilities in order to strengthen the balance sheet;
- Reviewing and restructuring key operational support functions, including the group's accommodation portfolio and vehicle fleet, to improve efficiency.

These initiatives have been major factors in ensuring the company continues to remain competitive and profitable in the changed trading environment.

Looking to the future, the strategic alliance with Network International, a subsidiary of Emirates NBD, presents unique growth opportunities for the company's Cash Services business.

The improved liquidity in the regional economy, together with the market's demand for a more sophisticated approach to service provision, places the wider group in an ideal position to significantly increase shareholder value and at the same time achieve our aim of moving up the value chain.

A key focus therefore for the FM Services business will be leveraging the Transguard brand by offering existing clients true integrated business solutions that encompass our complete portfolio of support services.

The group's Projects business, Macair has undergone rigorous restructuring over the last 12 months and has subsequently delivered a profit for the year ending 31st March 2011. Its strengthened management and operational teams are now able to deliver a far more diverse range of project skills, from mechanical, electrical and plumbing (MEP) installations to commercial office design and fit-out, and the business is set to make significant contributions to the group over the coming years.

In preparation for the next phase of growth, the Executive Board has approved an extensive investment and development programme for the infrastructure that underpins the operational business. Key highlights include:

- Investment in future-proofing the group's information technology environment;
- The creation of a centralised Projects Management Office;

The group is in an ideal position to significantly increase shareholder value

- The development of a broader and more sophisticated mandate for the company's legal services department;
- Significant enhancement of the group's accommodation facilities and operational vehicle fleet.

In addition, the group continues to invest in its human capital, with particular focus on our commitment to continuously improve our personal development and health and safety programmes.

The last financial year has been one of further consolidation and, with the trading environment continuing to improve, Transguard management and employees can now look forward with both optimism and excitement.

I would like to thank all of the Transguard team, our management and employees, plus our customers and suppliers, for once again playing an important role in the ongoing success of the Transguard Group.

I look forward to your continued support going forward.

John Nolan
Chief Financial Officer
Transguard Group LLC

The Executive Board

Dr Abdulla Al Hashimi - Chief Executive Officer

Dr Abdulla was integral in the development of Emirates Group Security, where he holds the post of Divisional Senior Vice President, and in the formation of the Transguard Group.

While achieving his Masters and PhD in Aviation Security Management, Dr Abdulla conducted important research into the role of training in aviation security management and subsequently developed an extensive educational programme for the industry.

He sees one of his key tasks as promoting continuous improvement in the quality and standards of the region's security industry.

Mike McGeever - Managing Director

Mike McGeever entered the world of finance and commerce after a successful career in the Royal Navy. He has an MBA specializing in the human geography of public and private sector integration. His early career in the FM industry included being Managing Director of Jarvis FM where he signed the first Local Authority Private Finance Initiative. In 1999 he founded his own FM business, creating a company with a turnover of 68m GBP in just four years, before moving to Dubai in 2004 to take over the reins at Transguard Group.

Geoff Shewry - Deputy Managing Director

A Chartered Civil Engineer by profession, Geoff spent the first 20 years of his career in construction before moving into general management. Since 1992, he has led businesses in the logistics, security and FM industries in both the UK and the UAE. "My role is straightforward: I'm here to create shareholder value. To do this, we have to deliver first class services to our customers by creating a learning environment in Transguard where everyone is encouraged to realize their full potential."

John Nolan - Chief Financial Officer

Originally from the Republic of Ireland, John spent his formative years in Australia where he completed his Bachelor of Commerce degree. He returned to his home country in the early '90's to complete his education at the Institute of Chartered Accountants of Ireland.

With over 18 years experience as a finance professional, John has held senior management positions with PricewaterhouseCoopers in Ireland and Almarai Company in Saudi Arabia before joining Transguard Group. John is responsible for the financial and commercial side of the group's operations.

The Executive Board

Pedram Choroomi - Group Finance Director

Pedram grew up in the UAE and completed his education in Australia where he obtained a Bachelor of Commerce in Accounting and a Bachelor of Law.

A Certified Practicing Accountant (Australia) he has worked in the commercial sector since 2000 and joined Transguard in 2008.

Pedram sees his key roles as managing the financial resources and financial function of the company and, most importantly, assisting the operational businesses to optimize their financial performance.

Julianne Stringer - Group General Counsel

Julianne is the group's General Legal Counsel, holds Bachelor Degrees in both Arts and Law, and is admitted to practice in the Supreme Court of Victoria and the Federal Court of Australia.

Julianne has worked in private practice for over a decade and has extensive commercial law experience across a wide range of business sectors, both in the UAE and in her home country of Australia.

Nigel Hall - Executive Director

Nigel has more than 12 years' experience in the hotel and FM industries, working with large corporations such as the Compass Group and BBC Television.

He joined Transguard in 2007 and has been instrumental in bringing the group's business support services together under a single FM umbrella.

In the next year he will drive the further consolidation of the FM Services business into a single Integrated FM offering.

Lynne McMurray - Executive Director

Lynne is originally from England where she graduated with a BA Hons before working with a number of multinational organizations, gaining more than 20 years' experience in the fields of FM and Supply Chain Management.

Lynne's extensive knowledge of business process management and international best practice are critical to her role as the Head of Transguard's Corporate Services; leading the Human Resources, Procurement, Integrated Management Systems and Property & Logistics teams that underpin the business infrastructure.

Transguard Financial Report

Directors' Report and Consolidated Financial Statements for the year ended 31 March 2010/11

Transguard Group LLC

Director's Report and Consolidated Financial Statements for the year ended 31 March 2011

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Transguard Group LLC

Directors' Report for the year ended 31 March 2011

The Directors submit their report together with the audited consolidated financial statements of Transguard Group LLC ("the company") and its subsidiary (together, "the group") for the year ended 31 March 2011.

Principal activities

The principal activities of the group are to provide technical support, facilities and events management, guarding services, aviation security including accredited training and aircraft protection, security solutions such as close protection security and cash and valuables handling.

Results

The results of the group for the year ended 31 March 2011 are set out on page 5 of the consolidated financial statements.

Dividends

A dividend of AED 5,000,000 has been approved subsequent to 31 March 2011 (2010: AED 5,000,000). Additional details relating to dividend are disclosed in note 26.

Directors

The Directors, who served during the year were:

Executive Directors

- Dr. Abdulla Al Hashimi
- Mike McGeever
- John Nolan

Non-executive Director

- H.H. Sheikh Ahmed bin Saeed Al-Maktoum

Auditors

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Dr. Abdulla Al Hashimi	**Mike McGeever**
Chief Executive Officer	Managing Director
29 May 2011	29 May 2011

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRANSGUARD GROUP LLC

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Transguard Group LLC ("the company") and its subsidiary (together, "the group") which comprise the consolidated balance sheet as of 31 March 2011 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRANSGUARD GROUP LLC

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the group 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

Further, as required by the UAE Federal Law No. (8) of 1984, as amended, we report that:

i. we have obtained all the information we considered necessary for the purposes of our audit;

ii. the financial statements comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (8) of 1984, as amended and the Articles of Association of the company;

iii. the company has maintained proper books of account and has carried out physical verification of inventories in accordance with properly established procedures;

tv. the financial information included in the Directors' report is consistent with the books of account of the company; and

v. nothing has come to our attention which causes us to believe that the company has breached any of the applicable provisions of the UAE Federal Law No. (8) of 1984, as amended, or of its Articles of Association, which would materially affect its activities or its financial position as of 31 March 2011.

PricewaterhouseCoopers

Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

30 May 2011

CONSOLIDATED BALANCE SHEET

	Note	AS AT 31 MARCH 2011 AED	2010 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	**255,016,384**	248,141,994
Intangible asset	6	**687,135**	995,339
Investment in an associate	7A	**15,246,237**	10,986,635
		270,949,756	260,123,968
Current assets			
Inventories		**2,626,565**	5,304,957
Trade and other receivables	8	**108,244,574**	141,691,931
Due from related parties	9	**133,546,602**	98,448,762
Due from customers on contracts	10	**4,466,977**	7,377,418
Cash and bank balances	11	**21,745,678**	3,832,232
		270,630,396	256,655,300
Total assets		**541,580,152**	516,779,268
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	**300,000**	300,000
Legal reserve	16	**150,000**	150,000
Contributed capital	17	**1,806,502**	1,806,502
Retained earnings		**198,157,574**	113,484,164
		200,414,076	115,740,666
Non-controlling interest		**24,226,475**	-
Total equity		**224,640,551**	115,740,666
LIABILITIES			
Non-current liabilities			
Borrowings	13	**55,791,850**	127,935,503
Finance lease liabilities	14	**48,344,084**	58,630,094
Provision for employees' end of service benefits	18	**9,170,681**	11,121,754
Due to a related party	9	**-**	18,007,472
		113,306,615	215,694,823
Current liabilities			
Trade and other payables	12	**81,638,475**	78,841,676
Due to related parties	9	**19,942,931**	18,666,289
Borrowings	13	**91,563,671**	84,134,103
Finance lease liabilities	14	**10,487,909**	3,701,711
		203,632,986	185,343,779
Total liabilities		**316,939,601**	401,038,602
Total equity and liabilities		**541,580,152**	516,779,268

These financial statements were approved by the Board of Directors on 29 May 2011 and signed on its behalf by:

....	....
Dr. Abdulla Al Hashimi	Mike McGeever
Chief Executive Officer	Managing Director

The notes on page 9 to 31 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	YEAR ENDED 31 MARCH 2011 AED	2010 AED
Revenue	19	**522,878,658**	545,435,128
Direct costs	20	**(384,891,618)**	(417,268,146)
Gross profit		**137,987,040**	128,166,982
Administrative expenses	21	**(86,911,689)**	(92,947,322)
Other income - net	23	**57,483,406**	4,866,439
Operating profit		**108,558,757**	40,086,099
Finance income	24	**272,219**	745,730
Finance costs	24	**(20,760,634)**	(9,879,142)
Finance costs - net		**(20,488,415)**	(9,133,412)
Share of profit/(loss) of an associate	7A	**4,259,602**	(13,102,992)
Profit for the year		**92,329,944**	17,849,695
Total comprehensive income for the year		**92,329,944**	78,808,249
Profit attributable to:			
Owners of the parent		**89,673,410**	17,849,695
Non-controlling interest		**2,656,534**	-
		92,329,944	17,849,695

The notes on page 9 to 31 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2011

	Attributable to owners of the parent		
	Share capital AED	**Legal reserve AED**	**Contributed capital AED**
Balance at 1 April 2009	300,000	150,000	1,806,502
Profit / total comprehensive income for the year	-	-	-
Dividend relating to 2009	-	-	-
Balance at 31 March 2010	300,000	150,000	1,806,502
Non-controlling interest arising on sale of shares	-	-	-
Profit / total comprehensive income for the year	-	-	-
Dividend relating to 2010	-	-	-
Balance at 31 March 2011	300,000	150,000	1,806,502

The notes on page 9 to 31 are an integral part of these consolidated financial statements

Attributable to owners of the parent			
Retained earnings	Total	Non-controlling interest	Total
AED	AED	AED	AED
115,634,469	117,890,971	-	117,890,971
17,849,695	17,849,695	-	17,849,695
(20,000,000)	(20,000,000)	-	(20,000,000)
113,484,164	115,740,666	-	115,740,666
-	-	21,569,941	21,569,941
89,673,410	89,673,410	2,656,534	92,329,944
(5,000,000)	(5,000,000)	-	(5,000,000)
198,157,574	200,414,076	24,226,475	224,640,551

The notes on page 9 to 31 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	YEAR ENDED 31 MARCH 2011 AED	2010 AED
Cash flows from operating activities			
Profit for the year		**92,329,944**	17,849,695
Adjustments for:			
Depreciation	5	**14,969,078**	9,091,451
Amortisation	6	**339,502**	300,072
Provision for employees' end of service benefits	18	**4,094,956**	5,207,976
Provision for impairment of trade receivables	8	**20,371,417**	32,282,470
Provision for impairment of due from related parties	9	**620,989**	-
Write-off of receivable from associate	23	**52,123,126**	-
Gain on disposal of shares in a subsidiary	23	**(110,930,059)**	-
Share of (profit) / loss of associate	7A	**(4,259,602)**	13,102,992
Finance costs – net	24	**20,488,415**	9,133,412
Loss / (gain) on disposal of property, plant and equipment		**43,875**	(21,123)
Operating cash flows before payment of employees' end of service benefits and changes in working capital		**90,191,641**	86,946,945
Payments of employees' end of service benefits	18	**(6,046,029)**	(2,600,714)
Changes in working capital:			
Inventories		**2,678,392**	(3,613,577)
Trade and other receivables before movement in provision for impairment and write-off	8	**13,075,940**	(19,688,721)
Due from related parties before movement in provision for impairment and write-off	9	**(87,841,955)**	(44,684,079)
Due from customers on contracts	10	**2,910,441**	(4,421,042)
Trade and other payables	12	**2,796,799**	(24,444,708)
Due to related parties before payment of loan from a director and movement in dividend payable	9	**1,536,933**	22,727,383
Net cash generated from operating activities		**19,302,162**	10,221,487
Cash flows from investing activities			
Additions to property, plant and equipment inclusive of transfer	5	**(22,150,006)**	(144,522,218)
Additions to intangible asset	6	**(31,298)**	(393,112)
Proceeds from disposal of property, plant and equipment		**262,663**	536,646
Net cash used in investing activities		**(21,918,641)**	(144,378,684)
Cash flows from financing activities			
(Repayment of) /proceeds from borrowings – net	13	**(68,310,101)**	154,202,815
Payment of loan from a director	9	**(23,267,763)**	-
Payment towards finance lease liabilities	14	**(3,499,812)**	(359,466)
Finance costs – net	24	**(20,488,415)**	(9,133,412)
Payment of dividend		**-**	(10,000,000)
Proceeds from sale of shares in subsidiary		**132,500,000**	-
Net cash provided by financing activities		**16,933,909**	134,709,937
Net increase in cash and cash equivalents		**14,317,430**	552,740
Cash and cash equivalents at beginning of year		**(35,199,061)**	(35,751,801)
Cash and cash equivalents at end of year	11	**(20,881,631)**	(35,199,061)

The notes on page 9 to 31 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 Legal status and activities

Transguard Group LLC ("the company") and its subsidiary, Transguard Cash LLC ("the subsidiary") (together "the group") provide technical support, facilities and events management, guarding services, aviation security including accredited training and aircraft protection, security solutions such as close protection security and cash and valuables handling.

The share capital of the company is wholly owned by dnata, a decree corporation under an Emiri Decree No.1 of 1987 (as amended). The 'Transguard' trademark, name and logo is held by dnata.

On 16 October 2009, the company acquired a 51% non-controlling interest in Macair LLC for a non-cash consideration of AED 24 million. Additional details relating to the acquisition are disclosed in note 7A.

On 2 February 2011, the company acquired a controlling interest in Transguard Cash LLC. Additional details relating to the acquisition are disclosed in note 7B.

2 Summary of significant accounting policies

The principal accounting policies adopted by the group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with, and comply with International Financial Reporting Standards ("IFRS"). These consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The company has an investment in associate (note 7) that is equity accounted.

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the group

The following amendment to standard is mandatory for the first time for the financial year beginning 1 April 2010:

- IAS 1 (amendment), 'Presentation of financial statements' (effective from 1 January 2010);
- IAS 7 (amendment), 'Cash flow statements' (effective from 1 January 2010);
- IAS 17 (amendment), 'Leases' (effective from 1 January 2010);
- IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009);
- IAS 36 (amendment), 'Impairment of assets' (effective from 1 January 2010);
- IAS 38 (amendment), 'Intangible assets' (effective from 1 January 2010); and
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2010).

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policies and disclosures (continued)

(b) New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 April 2010 but not currently relevant to the group

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2010 or later periods, but they are not relevant to the group's operations:

- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions' (effective from 1 January 2010);
- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009);
- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations' (effective from 1 January 2010);
- IFRS 8, 'Operating segments' (effective from 1 January 2010);
- IFRIC 9, 'Reassessment of embedded derivatives' and IAS 39 'Financial instruments: Recognition and measurement' (effective from 1 July 2009);
- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective from 1 July 2009);
- IFRIC 17, 'Distributions of non-cash assets to owners' (effective from 1 July 2009); and
- IFRIC 18, 'Transfer of assets from customers' (effective from 1 July 2009).

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2010 and not early adopted by the group

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2011 or later periods, but the group has not early adopted them.

- IAS 1, 'Presentation of financial instruments' (effective from 1 January 2011);
- IAS 24 (revised), 'Related party disclosures' (effective from 1 January 2011);
- IAS 27, 'Consolidated and separate financial statements' (effective from 1 July 2010);
- IAS 34, 'Interim financial reporting' (effective from 1 January 2011);
- IFRS 1 (amendment), 'First time adoption of IFRS' (effective from 1 July 2010);
- IFRS 3, 'Business combinations' (effective from 1 July 2010);
- IFRS 7, 'Financial instruments: Disclosures' (effective from 1 January 2011);
- IFRS 9, 'Financial instruments' (effective from 1 January 2013);
- IFRIC 13, 'Customer loyalty programmes' (effective from 1 January 2011);
- IFRIC 14 (amendment), 'Pre-payments of a minimum funding requirement' (effective from 1 January 2011); and
- IFRIC 19 'Extinguishing financial liabilities with equity instruments' (effective from 1 July 2010).

2 Summary of significant accounting policies (continued)

2.2 Investment in an associate

Associates are all entities over which the company has significant influence but not control, generally accompanying shareholdings between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The group's share of its associate's post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the company. Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of comprehensive income.

2.3 Investment in a subsidiary

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the group and the cost of the asset can be measured reliably.

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

Land is not depreciated. Depreciation on other assets is computed using the straight-line method at rates calculated to allocate the cost of assets to their estimated residual values over their expected useful lives, as follows:

Buildings	20 years
Plant and machinery	3 - 12 years
Furniture and fixtures	10 years
Computer and office equipment	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with group policy.

All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in other income in the consolidated statement of comprehensive income.

2.5 Intangible asset

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five years.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Financial assets

(a) Classification

The group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables (excluding prepayments)' (note 8), 'due from related parties' (note 9) and 'cash and cash equivalents' (note 11).

2 Summary of significant accounting policies (continued)

2.7 Financial assets (continued)

(b) Recognition and measurement

Loans and receivables are initially measured at fair value and subsequently carried at amortised cost using the effective interest method.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.9 Impairment of financial assets

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of inventory comprises the cost of purchase and other costs incurred in bringing the inventory to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (if any).

2 Summary of significant accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short term highly liquid investments with original maturity of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

2.13 Share capital

Ordinary shares are classified as equity.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16 Employee benefits

A provision is made for the estimated liability for employees' entitlements to annual leave and leave passage as a result of services rendered by the employees up to the balance sheet date.

A provision is also made for the full amount of the end of service benefits, using actuarial techniques, due to employees in accordance with the UAE Labor Law for their periods of service up to the balance sheet date.

In the current year, the group employed a firm of independent actuaries to determine the value of employee benefits as at the balance sheet date, using actuarial techniques including the Projected Unit Credit Method. The liability for leave salary, leave passage and end of service benefits at the end of the year, and the charge for the year on account of these benefits have been recorded in line with the recommendations of the actuaries.

The provision relating to annual leave and leave passage is disclosed as a current liability, while that relating to employees' end of service benefits is disclosed as a non-current liability.

2.17 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 Summary of significant accounting policies (continued)

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the group's activities. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. Revenue is recognised on following basis:

(a) Service revenue

Revenue arising from services rendered is recognised when the services have been provided to the customers.

(b) Contract revenue

Contract revenue is recognised under the percentage of completion method. When the outcome of the contract can be reliably estimated, revenue is recognised by reference to the proportion that accumulated costs up to the year end bear to the estimated total costs of the contract. When the contract is at an early stage and its outcome cannot be reliably estimated, revenue is recognised to the extent of costs incurred up to the year end which are considered recoverable.

Revenue relating to variation orders and amounts under claims are not recognised unless negotiations have reached an advanced stage such that it is probable that the customer will accept the claim/variation order and the amount of the claim/variation order can be measured reliably.

Losses on contracts are assessed on an individual contract basis and provision is made for the full amount of the anticipated losses, including any losses relating to future work on a contract, in the period in which the loss is first foreseen.

In determining costs incurred up to the year end, any costs relating to future activity on a contract are excluded and shown as work in progress. The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end. Where the sum of the costs incurred and recognised profit or recognised loss exceeds the progress billings, the balance is shown as due from customers on contracts. Where the progress billings exceed the sum of costs incurred and recognised profit or recognised loss, the balance is shown as due to customers on contracts.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.19 Leases

(a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

(b) Finance lease

The group leases certain property, plant and equipment. Lease of assets where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for

2 Summary of significant accounting policies (continued)

2.19 Leases (continued)

each period. The assets acquired under finance leases are depreciated over the shorter of the estimated useful lives of the assets and the lease term.

2.20 Dividend distribution

Dividend distribution to the group's shareholders is recognised as a liability in the group's consolidated financial statements in the period in which the dividends are approved by the group's shareholders.

2.21 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented in United Arab Emirates Dirhams ('AED'), which is the group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other income'.

3 Financial risk management

3.1 Financial risk factors

The group's activity exposes it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The group is exposed to foreign exchange risk in respect of its borrowings denominated in GBP. At 31 March 2011, if the currency had weakened / strengthened by 5% against AED, the profit / total comprehensive income for the year would have been higher / lower by AED 268,061 (2010: AED 611,708).

(ii) Cash flow and fair value interest rate risk

The group has no significant interest bearing assets. Interest income is a minor portion of the group's income and operating cash flows and is substantially independent of changes in market interest rates.

The group's cash flow interest rate risk arises from its borrowings including overdrafts and finance lease liabilities with variable interest rates.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

The table below indicates the interest rate exposure on borrowings with variable interest rates at 31 March 2011 and 2010. The analysis calculates the effect on the consolidated statement of comprehensive income of a reasonably possible movement in interest rate:

	2011 AED	2010 AED
Interest cost		
+ 100 basis points	**2,402,945**	2,597,858
- 100 basis points	**(2,402,945)**	(2,597,858)

The group's exposure to fair value interest rate risk arises from borrowings and finance lease liabilities with fixed interest rates.

(b) Credit risk

The group is exposed to credit risk in relation to its monetary assets, mainly trade receivables and bank deposits. The group assesses the credit quality of the customer taking into account its financial position, past experience and other factors. It also has formal procedures to follow-up and monitor trade debtors.

Banking transactions are limited to reputed commercial banks. Cash and cash equivalents comprise of balances with reputable commercial banks. The table below analyses the balances with the banks at the balance sheet date.

	Rating	2011 AED	2010 AED
Banks			
A	+D	**4,595,720**	1,636,512
B	-D	**135,721**	889,377
C	C	**406,150**	448,000
D	D	**15,851,424**	126,625
E	*	**142,485**	61,572
		21,131,500	3,162,086

* not available.

The credit quality of trade receivables that are not impaired can be assessed by reference to historical information about counterparty default rates:

	2011 AED	2010 AED
Trade receivables		
Counterparties without external credit rating		
Group 1	**1,505,352**	4,048,870
Group 2	**61,722,450**	80,179,383
	63,227,802	84,228,253

Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

None of the financial assets that are not impaired has been renegotiated in the year ended 31 March 2011 (2010: Nil). No credit limits were exceeded during the year and management does not expect any losses from non-performance by these counterparties.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit limits and the ability to close out market positions. Due to the dynamic nature of the underlying business, the group maintains flexibility in funding by maintaining availability under committed credit lines.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances except finance lease liabilities as the impact of discounting is not significant.

At 31 March 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	AED	AED	AED	AED	AED
Borrowings	98,416,487	22,748,982	37,885,077	3,647,623	162,698,169
Finance lease liabilities	14,501,239	24,621,804	24,621,805	7,931,368	71,676,216
Trade and other payables (excluding advance from customers and due to customers on contract)	75,820,696	-	-	-	75,820,696
Due to related parties	19,942,931	-	-	-	19,942,931
	208,681,353	47,370,786	62,506,882	11,578,991	330,138,012

At 31 March 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	AED	AED	AED	AED	AED
Borrowings	94,999,782	60,251,437	87,185,402	-	242,436,621
Finance lease liabilities	8,207,055	14,599,686	38,232,286	18,642,346	79,681,373
Trade and other payables (excluding advance from customers and due to customers on contract)	73,445,191	-	-	-	73,445,191
Due to related parties	18,666,289	5,700,337	12,307,135	-	36,673,761
	195,318,317	80,551,460	137,724,823	18,642,346	432,236,946

* Trade and other payables includes due to customers on contract amounting to AED 2,175,909 (2010: AED 1,856,615).

3.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratio at 31 March 2011 and 2010 was as follows:

	2011	2010
	AED	AED
Borrowings (note 13)	147,355,521	212,069,606
Finance lease liabilities (note 14)	58,831,993	62,331,805
Less: cash and bank balances (note 11)	(21,745,678)	(3,832,232)
Net debt	184,441,836	270,569,179
Total equity	224,640,551	115,740,666
Total capital	409,082,387	386,309,845
Gearing ratio	45%	70%

3 Financial risk management (continued)

3.2 Capital risk management (continued)

The decrease in gearing ratio during the year resulted primarily from the payments made during the year amounting to AED 107,185,044 refer note 13.

3.3 Fair value estimation

The carrying value of financial assets and financial liabilities of the group as at 31 March 2011 and 2010 approximate to their fair value.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(a) Revenue recognition

Contract revenue is recognised using a percentage-of-completion method. Use of the percentage-of-completion method requires the group to estimate the services performed to date as a proportion of total services to be performed. The group analyses cost incurred from total cost of the project including the cost to come to estimate the stage of completion of contracts. Management regularly review estimates relating to contracts and revisions to profitability on an ongoing basis.

(b) Impairment of trade and other receivables

The impairment charge reflects estimates of losses arising from the failure or inability of the parties concerned to make the required payments. The charge is based on knowledge of customer's business and financial standing, the customer's ability and willingness to settle, the customer's credit worthiness and the historic write-off experience. Changes to the estimated impairment charge may be required if the financial condition of the customers were to improve or deteriorate. Management considers that the current level of impairment charge is appropriate and consistent with the loss estimated at year end.

(c) Depreciation of property, plant and equipment

Management assigns useful lives and residual values to property, plant and equipment based on intended use of assets and the economic lives of those assets. Subsequent changes in the circumstances such as technological advancements or prospective utilisation of the asset concerned could result in the actual useful lives or residual values differing from initial estimates. Management has reviewed the residual values and useful lives of major items of property, plant and equipment and made adjustments where considered necessary.

(d) Impairment of property, plant and equipment

Continued losses in specific events or circumstances could trigger an impairment review of the carrying amount of property, plant and equipment. Management assesses the impairment of all its assets as stated in note 2.6.

(e) Impairment of investment in associated companies

Management applies the guidance in IAS 39 to identify if potential impairment exists for its equity accounted investments. At the end of each accounting period, an assessment is made whether there is any objective evidence of impairment. In such instances, the investment is subject to an impairment test by comparing the carrying amount to the recoverable amount of the asset.

4 Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

(f) Provision for employees' end of service benefits

The present value of the end of service benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for end of service benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of end of service benefit obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the end of service benefit obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related end of service benefits obligation.

Other key assumptions for end of service benefit obligations are based in part on current market conditions. Additional information is disclosed in note 18.

5. Property, plant and equipment

	Land and buildings	Plant and machinery	Furniture and fixtures	Computer and office equipment	Motor vehicles	Capital work in progress	Total
	AED	AED	AED	AED	AED	AED	AED
Cost							
1 April 2009	85,936,306	14,591,973	8,244,194	7,180,233	11,658,117	-	127,610,823
Additions	131,686,500	1,164,219	2,543,983	828,813	5,528,638	2,770,065	144,522,218
Disposals	-	-	-	(4,747)	(1,669,658)	-	(1,674,405)
31 March 2010	217,622,806	15,756,192	10,788,177	8,004,299	15,517,097	2,770,065	270,458,636
Additions	-	1,182,048	3,143,072	579,456	6,126,225	3,889,696	14,920,497
Transfer *	-	-	-	-	-	7,229,509	7,229,509
Disposals	-	-	(674,620)	(44,975)	(104,136)	(26,425)	(850,156)
31 March 2011	217,622,806	16,938,240	13,256,629	8,538,780	21,539,186	13,862,845	291,758,486
Depreciation							
1 April 2009	1,446,286	2,876,688	2,386,305	3,534,942	4,139,852	-	14,384,073
Charge for the year	3,282,907	1,080,916	877,129	1,642,906	2,207,593	-	9,091,451
Disposals	-	-	-	(1,193)	(1,157,689)	-	(1,158,882)
31 March 2010	4,729,193	3,957,604	3,263,434	5,176,655	5,189,756	-	22,316,642
Charge for the year	7,800,524	1,153,824	1,186,462	1,605,919	3,222,349	-	14,969,078
Disposals	-	-	(472,776)	(6,950)	(63,892)	-	(543,618)
31 March 2011	12,529,717	5,111,428	3,977,120	6,775,624	8,348,213	-	36,742,102
Net book amount							
31 March 2011	205,093,089	11,826,812	9,279,509	1,763,156	13,190,973	13,862,845	255,016,384
31 March 2010	212,893,613	11,798,588	7,524,743	2,827,644	10,327,341	2,770,065	248,141,994

* Transfer during the year represents reclassification of advances given to suppliers (previously included in other receivables).

5 Property, plant and equipment (continued)

Included in the carrying amount of property, plant and equipment are land and buildings and motor vehicles where the group is a lessee under a finance lease. Details of these assets are as follows:

	2011 AED	2010 AED
Cost	**96,234,870**	96,234,870
Accumulated depreciation	**(10,911,482)**	(7,371,674)
Net book amount	**85,323,388**	88,863,196

Additional details relating to finance leases are given in note 14.

6 Intangible asset

Computer software

	2011 AED	2010 AED
Cost		
Balance brought forward	**1,706,672**	1,313,560
Additions	**31,298**	393,112
Balance carried forward	**1,737,970**	1,706,672
Amortisation		
Balance brought forward	**711,333**	411,261
Charge for the year	**339,502**	300,072
Balance carried forward	**1,050,835**	711,333
Net book amount	**687,135**	995,339

7A Investment in an associate

On 16 October 2009, the company acquired a 51% non-controlling interest in Macair LLC ("associate") by converting its trade receivable balance of AED 24 million owed to it by the associate to contributed capital in the associate. Additional details relating to the acquisition are given below:

Principal associated company	Percentage interest held	Principal activities	Country of incorporation
Macair LLC	51%	Air conditioning, lifts, electricity transmission, communication networks, security systems, electromechanical installation and maintenance.	UAE

The summarised financial information in respect of the associated company is set out below:

	March 31 2011 AED	March 31 2010 AED
Total assets	**260,527,952**	139,532,241
Total liabilities	**331,002,386**	218,358,836
Net liabilities	**(70,474,434)**	(78,826,595)
*Revenue for the year / period	**89,792,131**	32,056,415
*Profit / (loss) for the year / period	**8,352,161**	(25,692,140)

* Revenue / (loss) for the period is from 16 October 2009 to 31 March 2010.

7A Investment in an associate (continued)

Movement in the investment in an associate:

	2011 AED	2010 AED
Opening balance	**10,986,635**	-
Acquisition of associate during the year / period	**-**	24,089,627
Share of profit / (loss)	**4,259,602**	(13,102,992)
Carrying value	**15,246,237**	10,986,635

7B Investment in a subsidiary

On 2 February 2011, the company entered into a strategic alliance with Network International LLC in order to facilitate the provision of 'managed end to end ATM services' to Transguard customers.

The alliance was achieved by transferring specific assets and liabilities of the company's Cash Generating Unit ("Cash Services operation") to a wholly owned subsidiary, Transguard Cash LLC ("the subsidiary"). The share capital of the subsidiary is owned equally by Transguard Group LLC and Network International LLC. However, as per the Management Agreement, the company has the sole right to manage and the power to govern the financial and operating policies of the subsidiary. The effective date of the arrangement was 2 February 2011 from which date the results of the subsidiary have been consolidated in the consolidated financial statements.

Subsidiary company	Percentage interest held	Principal activities	Country of incorporation
Transguard Cash LLC	50%	Providing cash management services including secure and safe movement of cash and documents and ATM services to banks.	UAE

8 Trade and other receivables

	2011 AED	2010 AED
Trade receivables	**125,769,076**	126,398,110
Less: provision for impairment of trade receivables	**(62,541,274)**	(42,169,857)
Trade receivables – net	**63,227,802**	84,228,253
Prepayments	**16,421,255**	20,795,132
Other receivables	**28,595,517**	36,668,546
	108,244,574	141,691,931

The group's customers are based in the UAE. At 31 March 2011 five customers (2010: five customers) accounted for 24% (2010: 19%) of the total trade receivables. Management is confident that this concentration of credit risk will not result in a loss to the business in view of the credit worthiness and no previous history of defaults of these customers.

As of 31 March 2011, trade receivables of AED 12,528,791 (2010: AED 21,501,401) were fully performing.

Trade receivables that are more than one month past due are not considered impaired. As at 31 March 2011, trade receivables of AED 34,346,210 (2010: AED 49,942,724) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

8 Trade and other receivables (continued)

The ageing analysis of these trade receivable is as follows:

	2011 AED	2010 AED
Upto 3 months	**19,958,988**	24,188,586
3 to 6 months	**6,916,901**	9,803,814
Over 6 months	**7,470,321**	15,950,324
	34,346,210	49,942,724

As of 31 March 2011, trade receivables of AED 78,894,075 (2010: AED 54,953,985) were impaired. The amount of provision was AED 62,541,274 (2010: AED 42,169,857). These receivables relate to customers which are in difficult financial situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2011 AED	2010 AED
Upto 3 months	**10,309,588**	12,110,661
3 to 6 months	**3,370,205**	3,329,070
Over 6 months	**65,214,282**	39,514,254
	78,894,075	54,953,985

The carrying amount of the group's trade receivables and other receivables at 31 March 2011 and 2010 are denominated in AED.

Movement in the group's provision for impairment of trade receivables are as follows:

	2011 AED	2010 AED
Balance brought forward	**42,169,857**	9,897,550
Provision for impairment of trade receivables (note 21)	**20,371,417**	32,282,470
Amounts written off as uncollectable	**-**	(10,163)
Balance carried forward	**62,541,274**	42,169,857

The provision charge on trade receivables recognised in the consolidated statement of comprehensive income during the year mainly relates to existing customers who are unable to meet their obligations. This charge is included in 'Administrative expenses'. Amounts charged to the provision account are written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. The fair values of trade and other receivables approximate to their carrying amounts as at 31 March 2011 and 2010. The group does not hold any collateral as security.

9 Related party balances and transactions

Related parties include the shareholders, subsidiary, fellow subsidiaries and businesses controlled by the shareholders or over which they exercise a significant management influence and key management personnel.

9 Related party balances and transactions (continued)

	2011 AED	2010 AED
Due from related parties		
dnata and entities related to dnata	**65,835,446**	51,855,041
Associate company	**68,332,145**	46,593,721
	134,167,591	98,448,762
Less: provision for impairment of due from related parties	**(620,989)**	-
	133,546,602	98,448,762

Movement in the group's provision for impairment of due from related parties are as follows:

	2011 AED	2010 AED
Balance brought forward	**-**	-
Provision for impairment of due from related parties (note 21)	**620,989**	-
Balance carried forward	**620,989**	-

	2011 AED	2010 AED
Due to related parties		
Non-current		
Loan from a director	**-**	18,007,472
Current		
Loan from a director	**-**	23,267,763
Less: non-current portion	**-**	(18,007,472)
Current portion	**-**	5,260,291
Affiliate	**2,500,000**	-
Dnata and entities related to Dnata	**17,442,931**	13,405,998
	19,942,931	18,666,289

The above balances arose from transactions in the normal course of business and are interest free other than the loan from a director and the balance due from an associate.

During last year, the group obtained a loan from a director at an interest rate of 8% per annum which has been repaid during the current year.

Related party transactions

During the year, the group entered into the following significant transactions with related parties in the ordinary course of business. These transactions were carried out at prices and on terms applicable to non-related parties for similar transactions.

	2011 AED	2010 AED
Sales	**273,301,824**	237,623,477
Write-off of receivable from associate	**52,123,126**	-
Purchases	**2,988,402**	3,816,931
Royalty fees to dnata (note 21)	**1,000,000**	1,000,000
Rent and utilities	**3,942,204**	3,942,063
Interest paid on loan from a director	**1,581,217**	281,903
Interest receivable on current account with associate	**512,504**	506,188
Key management compensation	**6,947,185**	6,087,000

10 Due from customers on contracts

	2011	2010
	AED	AED
Aggregate cost incurred and profits recognised on contracts in progress at the year end	**33,952,007**	15,653,020
Less : progress billings	**(29,485,030)**	(8,275,602)
	4,466,977	7,377,418

11 Cash and cash equivalents

Cash on hand	**614,178**	670,146
Bank balances in current accounts	**21,131,500**	3,162,086
Cash and bank balances	**21,745,678**	3,832,232

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2011	2010
	AED	AED
Cash and bank balances	**21,745,678**	3,832,232
Bank overdraft (note 13)	**(42,627,309)**	(39,031,293)
Cash and cash equivalents	**(20,881,631)**	(35,199,061)

Bank balances are held in current accounts with locally incorporated banks and branches of international banks. Interest at the rate of EIBOR 3% (2010: EIBOR + 3%) is charged on the bank overdraft.

12 Trade and other payables

	2011	2010
	AED	AED
Trade payables	**22,761,589**	15,431,146
Advances from customers	**3,641,870**	3,539,870
Provision for leave salary and leave passage	**15,518,734**	18,829,548
Other payables and accruals	**39,716,282**	41,041,112
	81,638,475	78,841,676

13 Borrowings

Non-current		
Borrowings	**55,791,850**	127,935,503
Current		
Borrowings	**48,936,362**	45,102,810
Bank overdrafts (note 11)	**42,627,309**	39,031,293
	91,563,671	84,134,103
Total borrowings	**147,355,521**	212,069,606

Loans outstanding from last year were obtained for the purchase of a CMC Machine (Loan 'A') and to fund the group's working capital requirements (Loan 'B'). Loan 'A' carries an interest rate of EIBOR + 3% with a minimum cap of 5.5% (2010: EIBOR + 3% with a minimum cap of 5.5%) per annum and is repayable by March 2013 through quarterly instalments. Loan 'B' carries an interest rate of EIBOR + 3 % with a minimum cap of 5.5% (2010: EIBOR + 3% with a minimum cap of 5.5%) per annum and is repayable by quarterly instalments by the end of 2011. Loan 'A' is secured against the CMC Machine having a net book value amounting to AED 5,431,602 (2010: AED 5,988,384).

Last year, the group obtained loan for the purchase of a Labour Camp (Loan 'C'). Loan 'C' was taken at an interest rate of 8% per annum and is repayable by 2016 in seventy two monthly instalments starting from August 2010. Loan 'C' is secured against the labour camp of the group having a net book value amounting to AED 125,209,301 (2010: AED 130,592,362).

13 Borrowings (continued)

During the year, the group obtained a loan for the purchase of motor vehicles (Loan 'D') at interest rate of EIBOR + 4% per annum and is repayable by October 2012 in nine quarterly instalments starting from October 2010. The loan is secured against vehicles having a net book value amounting to AED 2,756,530 (2010: nil).

Loan 'E' was taken at an interest rate of EIBOR + 4% per annum and is repayable by October 2012 in nine quarterly instalments starting from October 2010. Loan 'E' is secured against the motor vehicles of the group having a net book value amounting to AED 3,388,837 (2010: AED 4,163,836).

Loan 'F' is taken and carries an interest rate of 7.2% per annum and is repayable by November 2014 and is secured against motor vehicle having a net book value amounting to AED 1,440,829 (2010: nil).

Loan 'G' was taken at an interest rate of 4.5% per annum and is repayable by December 2011 in twenty four monthly instalments which started from January 2010. Loan 'G' is denominated in Pound Sterling ("GBP"). Loan 'H' is taken to finance working capital requirements at the rate of EIBOR + 3% per annum and is secured against the trade receivables of the company.

Loan outstanding from last year was obtained to fund the group's working capital requirements (Loan 'I'). Loan 'I' carries an interest rate of EIBOR + 4% (2010: EIBOR + 4%) per annum and is repayable by January 2013 through quarterly instalments.

The above borrowings are secured against financed assets. The maturity of the borrowings (excluding bank overdrafts) is as follows:

	2011	2010
	AED	AED
Less than 1 year	**48,936,362**	45,102,810
Between 1 and 2 years	**19,061,990**	52,023,985
Between 2 and 5 years	**33,118,750**	75,911,518
Greater than 5 years	**3,611,110**	-
	104,728,212	173,038,313

The group has undrawn facilities amounting to AED 58,258,046 (2010: AED 68,729,703). The movement in borrowings is as follows:

	2011	2010
	AED	AED
Balance brought forward	**173,038,313**	18,835,498
Additions during the year	**38,874,943**	173,305,864
Payments during the year	**(107,185,044)**	(19,103,049)
Balance carried forward	**104,728,212**	173,038,313

The carrying amounts of the group's borrowings are denominated in the following currencies:

	2011	2010
	AED	AED
GBP	**5,361,214**	12,234,155
AED	**99,366,998**	160,804,158
	104,728,212	173,038,313

14 Finance lease liabilities

	Motor vehicles 2011 AED	Land & buildings 2011 AED	Total 2011 AED
Gross lease liabilities - minimum lease payments			
Less than one year	**397,252**	**14,103,987**	**14,501,239**
Between 1 and 5 years	**66,284**	**49,177,325**	**49,243,609**
Over 5 years	**-**	**7,931,368**	**7,931,368**
	463,536	**71,212,680**	**71,676,216**
Less:			
Future finance charges on finance leases	**(24,842)**	**(12,819,381)**	**(12,844,223)**
Net lease liabilities	**438,694**	**58,393,299**	**58,831,993**
Present value of finance leases is as follows:			
Less than one year	**373,128**	**10,114,781**	**10,487,909**
Between 1 and 5 years	**65,566**	**40,626,721**	**40,692,287**
Over 5 years	**-**	**7,651,797**	**7,651,797**
Net lease liabilities	**438,694**	**58,393,299**	**58,831,993**

	Motor vehicles 2010 AED	Land & buildings 2010 AED	Total 2010 AED
Gross lease liabilities - minimum lease payments			
Less than one year	497,175	7,709,880	8,207,055
Between 1 and 5 years	463,458	52,368,514	52,831,972
Over 5 years	-	18,642,346	18,642,346
	960,633	78,720,740	79,681,373
Less:			
Future finance charges on finance leases	(82,224)	(17,267,344)	(17,349,568)
Net lease liabilities	878,409	61,453,396	62,331,805
Present value of finance leases is as follows:			
Less than one year	439,791	3,261,920	3,701,711
Between 1 and 5 years	438,618	40,852,907	41,291,525
Over 5 years	-	17,338,569	17,338,569
Net lease liabilities	878,409	61,453,396	62,331,805

15 Share capital

The share capital of the group comprises 300 fully paid shares of AED 1,000 each (2010: 300 shares of AED 1,000 each).

16 Legal reserve

In accordance with the UAE Federal Law No (8) of 1984, as amended, and the company's Articles of Association, 10% of the profit of the group for the year is transferred to a non-distributable legal reserve. Such transfers are required to be made until the reserve is equal to at least 50% of the paid-up capital of the company. Since the legal reserve of the group is equal to 50% of the share capital, no additional amounts have been transferred to the legal reserve during the year.

17 Contributed capital

Contributed capital represents amount contributed by dnata.

18 Provision for employees' end of service benefits

Reconciliation of defined benefit plan:

	2011 AED	2010 AED
Present value of defined benefit obligation	**10,135,540**	10,969,580
Net actuarial (losses) / gain not yet recognised	**(964,859)**	152,174
	9,170,681	11,121,754

Movement in net liability:

	2011 AED	2010 AED
Balance brought forward	**11,121,754**	8,514,492
Charge for the year (note 22)	**4,094,956**	5,207,976
Benefits paid	**(6,046,029)**	(2,600,714)
Balance carried forward	**9,170,681**	11,121,754

Charge for the year for the defined benefit plan:

	2011 AED	2010 AED
Current service cost	**3,591,376**	4,667,871
Interest cost	**503,580**	540,105
	4,094,956	5,207,976

Actuarial assumptions:

	2011	2010
Valuation discount rate	**6% per annum**	6% per annum
Salary increase rate	**2% per annum**	2% per annum
Average service	**2.48 years**	2.04 years

19 Revenue

	2011 AED	2010 AED
Service revenue	**506,403,426**	530,459,216
Contract revenue	**16,475,232**	14,975,912
	522,878,658	545,435,128

20 Direct costs

	2011 AED	2010 AED
Staff costs (note 22)	**245,374,944**	268,687,761
Rent	**60,599,272**	84,297,053
Fuel and transportation	**22,470,733**	23,631,833
Depreciation and amortisation (notes 5 and 6)	**15,308,580**	9,391,523
Contract costs	**12,015,024**	2,884,376
Operations cost	**10,267,563**	5,874,267
Repairs and maintenance	**4,907,265**	4,402,882
Visa and immigration	**5,049,942**	5,029,659
Communication expenses	**3,249,991**	4,116,721
Insurance	**2,801,382**	4,320,077
ATM operations fees	**207,810**	1,101,869
Skip and waste removal	**9,879**	119,686
Others	**2,629,233**	3,410,439
	384,891,618	417,268,146

21 Administrative expenses

	2011 AED	2010 AED
Staff costs (note 22)	**50,130,694**	46,103,239
Provision for impairment of receivables (note 8,9)	**20,992,406**	32,282,470
Rent	**3,948,225**	4,337,494
Fees and subscriptions	**2,306,702**	3,274,438
Stationery and supplies	**2,079,268**	1,308,772
Royalty fees to Dnata (note 9)	**1,000,000**	1,000,000
Marketing expenses	**391,228**	1,502,820
Business travel	**264,165**	442,270
Office maintenance	**41,151**	61,023
Information technology expenditure	**101,814**	132,109
Others	**5,656,036**	2,502,687
	86,911,689	92,947,322

22 Staff costs

	2011 AED	2010 AED
Salaries and wages	**265,533,871**	288,975,221
End of service benefits (note 18)	**4,094,956**	5,207,976
Leave salary and passage	**21,978,276**	16,408,758
Other benefits	**3,898,535**	4,199,045
	295,505,638	314,791,000
Staff costs are allocated as follows:		
Direct costs (note 20)	**245,374,944**	268,687,761
Administrative expenses (note 21)	**50,130,694**	46,103,239
	295,505,638	314,791,000

23 Other income - net

	2011 AED	2010 AED
Gain on disposal of shares in a subsidiary	**110,930,059**	-
Foreign exchange losses	**(1,173,079)**	-
(Loss) / gain on disposal of property, plant and equipment	**(43,875)**	21,123
Write-off of receivable from associate	**(52,123,126)**	-
Other (expense) / income	**(106,573)**	4,845,316
	57,483,406	4,866,439

24 Finance costs – net

	2011 AED	2010 AED
Finance income	**(272,219)**	(745,730)
Interest expense	**20,299,519**	9,551,150
Others	**461,115**	327,992
Finance costs	**20,760,634**	9,879,142
Net finance costs	**20,488,415**	9,133,412

25 Commitments

	2011 AED	2010 AED
Guarantees	**30,244,114**	48,290,331
Letters of credit	**4,079,054**	2,552,691

The above were issued in the normal course of business.

(a) Operating commitments

The group leases office building and labour camps under non-cancellable operating lease agreements. The future minimum lease payments under the lease are as follows:

	2011 AED	2010 AED
Not later than 1 year	**25,780,426**	45,588,002
Later than 1 year and not later than 5 years	**48,133,025**	59,876,185
Over 5 years	**28,224,000**	-
	102,137,451	105,464,187

26 Dividends

A dividend in respect of the year ended 31 March 2011 of AED 16,666.67 per share (2010: AED 16,666.67 per share) amounting to AED 5,000,000 (2010: AED 5,000,000) has been approved by the Board of Directors on 1 April 2011.

27 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables AED	Other financial liabilities AED	Total AED
31 March 2011			
Financial assets			
Due from related parties	**133,546,602**	**-**	**133,546,602**
Trade and other receivables (excluding prepayments)	**91,823,319**	**-**	**91,823,319**
Cash and bank balances	**21,745,678**	**-**	**21,745,678**
	247,115,599	**-**	**247,115,599**
Financial liabilities			
Borrowings	**-**	**147,355,521**	**147,355,521**
Finance lease liabilities	**-**	**58,831,993**	**58,831,993**
Trade and other payables (excluding advance from customers and due to customers on contract)	**-**	**75,820,696**	**75,820,696**
Due to related parties	**-**	**19,942,931**	**19,942,931**
	-	**301,951,141**	**301,951,141**
31 March 2010			
Financial assets			
Due from related parties	98,448,762	-	98,448,762
Trade and other receivables (excluding prepayments)	120,896,799	-	120,896,799
Cash and bank balances	3,832,232	-	3,832,232
	223,177,793	-	223,177,793
Financial liabilities			
Borrowings	-	212,069,606	212,069,606
Finance lease liabilities	-	62,331,805	62,331,805
Trade and other payables (excluding advance from customers and due to customers on contract)	-	73,445,191	73,445,191
Due to related parties	-	36,673,761	36,673,761
	-	384,520,363	384,520,363


Transguard

Transguard Group LLC
P.O. Box 22630 - Emirates Group Security Building, Airport Freezone, Dubai, UAE
T. +971 (4) 703 0500 F. +971 (4) 299 5644 Email. info@transguardgroup.net
www.transguardgroup.com