التاريخ: 31/ 01/ 2010

الرقـــم: ADB/010/25

السيد/ إبراهيم عبيد الزعابي المحترم

نائب الرئيس التنفيذي لشؤون الترخيص و الرقابة و التنفيذ

هيئة الأوراق المالية و السلع

فاكس: 6277751 – 02

تحية طيبة و بعد،،،

<u>الموضوع: البيانات المالية السنوية لعام 2009</u>

بالإشارة إلى الموضوع أعلاه و إلى إلتزامنا بتزويدكم بالبيانات المالية المدققة، فإننا نرفق لكم طيه نسخة من البيانات المالية السنوية لعام 2009.

و تفضلوا بقبول فائق الشكر و الاحترام

الظبي لخدمات الوساطة

ADB
الظبي لخدمات الوساطة ذ.م.م
DHABI BROKERAGE L.L.C.

AL DHABI BROKERAGE SERVICES L.L.C.

Reports and financial statements for the year ended December 31, 2009

AL DHABI BROKERAGE SERVICES L.L.C.

Reports and financial statements
for the year ended December 31, 2009

Report of the Directors
for the year ended December 31, 2009

The Directors have pleasure in submitting their report, together with the audited financial statements of the Company for the year ended December 31, 2009.

Principal activity

The principal activity of the Company is to provide brokerage services pertaining to financial instruments and commodities.

Results and appropriation

Revenue for the year was AED 18.4 million (2008 – AED 31.1 million). Net loss for the year was AED 1.5 million (2008 Profit – AED 9.1 million).

The appropriation of profits is as follows:

	2009 **AED'000**	2008 AED'000
Retained earnings at the beginning of the year	**50,586**	42,441
Net (loss)/profit for the year	**(1,549)**	9,050
Less: Transfer to statutory reserve	-	(905)
Retained earnings at the end of the year	**49,037**	50,586

Directors

The Directors through out the year were Mr. Ala'a Eraiqat, Mr. Sultan Al Mahmoud and Mr. Ahmed Barakat. During the current year two additional directors Mr. Hassan Al Hossani and Mr. Nabil Juma were appointed by the Board. The Directors are eligible for reappointment for 2010.

Auditors

The Directors propose the reappointment of Deloitte & Touche as auditors of the Company for the year ending December 31, 2010.

....
Chairman

Deloitte & Touche (M.E.)
Bin Ghanim Tower
Hamdan Street
P.O.Box 990, Abu Dhabi
United Arab Emirates

Tel: +971 (2) 676 0606
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Al Dhabi Brokerage Services L.L.C.
Abu Dhabi, United Arab Emirates

Report on the financial statements

We have audited the financial statements of Al Dhabi Brokerage Services L.L.C. (the "Company"), which comprise the statement of financial position as at December 31, 2009, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out in pages 8 to 22.

Management's responsibility for the financial statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

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

Report on Other Legal and Regulatory Requirements

Also, in our opinion, proper books of account are maintained by the Company, and the information included in the Directors' Report is in agreement with the books of account. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. According to the information available to us, there were no contraventions of the United Arab Emirates (U.A.E.) Federal Commercial Companies Law No. (8) of 1984 (as amended) or the Articles of Association of the Company which might have a material effect on the financial position of the Company or on the results of its operations for the year.

Deloitte & Touche

Saba Y. Sindaha
Registration Number 410
January 31, 2010

ديلويت أند توش
ص.ب ٩٩٠
ابوظبي - ا.ع.م
Abu Dhabi - U.A.E.
P.O.Box : 990
Deloitte & Touche

Statement of financial position
as at December 31, 2009

	Notes	2009 AED'000	2008 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	6,589	8,456
Available-for-sale investments	6	2,663	1,770
Total non-current assets		9,252	10,226
Current assets			
Trade receivables	7	67,289	74,188
Prepayments		56	275
Deposit with a related party	11	21,000	-
Bank and cash		119	22,303
Total current assets		88,464	96,766
Total assets		97,716	106,992
EQUITY AND LIABILITIES			
Equity			
Share capital	8	30,000	30,000
Statutory reserve	9	5,621	5,621
Investment revaluation reserve		1,204	311
Retained earnings		49,037	50,586
Total equity		85,862	86,518
Non-current liabilities			
Provision for end of service benefits		597	742
Current liabilities			
Trade and other payables	10	11,257	19,732
Total liabilities		11,854	20,474
Total equity and liabilities		97,716	106,992

Ala'a Eraiqat
Chairman

Hassan Saleem Al Hossani
General Manager

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
for the year ended December 31, 2009

	2009 AED'000	2008 AED'000
Income		
Brokerage commission	**18,436**	31,109
Dividend income	**113**	-
Other operating income	**238**	128
	18,787	31,237
Expenses		
Staff expenses	**(10,818)**	(13,344)
Other operating expenses	**(9,518)**	(8,843)
	(20,336)	(22,187)
Net (loss) / profit for the year	**(1,549)**	9,050
Movement in investment revaluation reserve	**893**	(7,238)
Net comprehensive (loss)/income for the year	**(656)**	1,812

The accompanying notes form an integral part of these financial statements.

Statement of changes in shareholder's equity for the year ended December 31, 2009

	Notes	Share capital AED'000	Statutory reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2008		30,000	4,716	7,549	42,441	84,706
Net profit for the year		-	-	-	9,050	9,050
Cumulative change in fair value of available-for-sale investment	6	-	-	(7,238)	-	(7,238)
Total comprehensive income for the year		**30,000**	**4,716**	**311**	**51,491**	**86,518**
Transfer to statutory reserve	9	-	905	-	(905)	-
Balance at 1 January 2009		30,000	5,621	311	50,586	86,518
Net loss for the year		-	-	-	(1,549)	(1,549)
Cumulative change in fair value of available-for-sale investment	6	-	-	893	-	893
Balance at 31 December 2009		**30,000**	**5,621**	**1,204**	**49,037**	**85,862**

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
for the year ended December 31, 2009

	2009 AED'000	2008 AED'000
Operating activities		
Net (loss) / profit for the year	**(1,549)**	9,050
Adjustment for:		
Depreciation of property and equipment	**4,401**	1,964
Net movement in end of service benefits	**(145)**	187
Operating cash flows before changes in operating assets and liabilities	**2,707**	11,201
Decrease in trade receivables	**4,463**	221,335
Decrease/(Increase) in prepayments	**219**	(125)
Decrease in trade and other payables	**(8,475)**	(233,958)
Net cash used in operating activities	**(1,086)**	(1,547)
Investing activities		
Purchase of property and equipment	**(98)**	(72)
Net cash used in investing activities	**(98)**	(72)
Financing activities		
Increase in deposit to a related party	**(21,000)**	-
Net cash used in financing activities	**(21,000)**	-
(Decrease)in cash and cash equivalents	**(22,184)**	(1,619)
Cash and cash equivalents at beginning of the year	**22,303**	23,922
Cash and cash equivalents at end of the year	**119**	22,303
Non-cash transaction		
Transfer of property and equipment from related parties	**2,436**	-

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements
for the year ended December 31, 2009

1 General

Al Dhabi Brokerage Services L.L.C. (the "Company") is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates (U.A.E.). The Company was established on February 7, 2005 and commenced its operations on May 14, 2005 and is a wholly owned subsidiary of Abu Dhabi Commercial Bank, a public joint stock company incorporated and registered in the U.A.E. The registered head office of the Company is P.O. Box 939, Abu Dhabi, U.A.E.

The Company is registered as a brokerage company in accordance with the U.A.E. Federal Law No. 4 of 2000.

The principal activity of the Company is to provide Brokerage Services pertaining to financial instruments and commodities.

2 Adoption of new and revised standards

2.1 Standards affecting presentation and disclosure

The following new and revised Standards have been adopted in the current period in these financial statements. Details of other Standards and Interpretations adopted but that have had no effect on the financial statements are set out in section 2.2.

- IAS 1 (as revised in 2007) *Presentation of Financial Statements*

  IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

- *Improving disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)*

  The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Company has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

- Amendments to IFRS 2 *Share-based Payment - Vesting Conditions and Cancellations*

  The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.

- IAS 23 (as revised in 2007) *Borrowing Costs*

  The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the company's accounting policy to capitalise borrowing costs incurred on qualifying assets.

2 Adoption of new and revised standards (continued)

2.2 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

• Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*	The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.
• IFRIC 13 *Customer Loyalty Programmes*	The Interpretation provides guidance on how entities should account for customer loyalty programmes by allocating revenue on sale to possible future award attached to the sale.
• IFRIC 15 *Agreements for the Construction of Real Estate*	The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and when revenue from the construction of real estate should be recognised.
• IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*	The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.
• IFRIC 18 *Transfers of Assets from Customers* (adopted in advance of effective date of transfers of assets from customers received on or after 1 July 2009)	The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit recognised as revenue in accordance with IAS 18 *Revenue*.
• Improvements to IFRSs (2008)	Amendments to IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 resulting from the May and October 2008 *Annual Improvements to IFRSs* majority of which are effective for annual periods beginning on or after 1 January 2009.

2 Adoption of new and revised standards (continued)

2.3 Standards and Interpretations in issue not yet effective

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

New Standards and amendments to Standards:	Effective for annual periods beginning on or after
• IFRS 1 (revised) *First time Adoption of IFRS* and IAS 27 (revised) *Consolidated and Separate Financial Statements* – Amendment relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2009
• IFRS 3 (revised) *Business Combinations* – Comprehensive revision on applying the acquisition method and consequential amendments to IAS 27 (revised) *Consolidated and Separate Financial Statements*, IAS 28 (revised) *Investments in Associates* and IAS 31 (revised) *Interests in Joint Ventures*	1 July 2009
• IAS 39 (revised) *Financial Instruments: Recognition and Measurement* – Amendments relating to Eligible Hedged Items(such as hedging Inflation risk and Hedging with options)	1 July 2009
• IFRS 1 (revised) *First time Adoption of IFRS* – Amendment on additional exemptions for First-time Adopters	1 January 2010
• IFRS 2 (revised) *Share-based payment* – Amendment relating to Group cash-settled Share-based payments	1 January 2010
• IAS 32 (revised) *Financial Instruments: Presentation* – Amendments relating to classification of Rights Issue	1 February 2010
• IAS 24 *Related Party Disclosures* – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government	1 January 2011
• IFRS 9 Financial Instruments: *Classification and Measurement* (intended as complete replacement for IAS 39 and IFRS 7)	1 January 2013
• Amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38 and IAS 39 resulting from April 2009 *Annual Improvements to IFRSs*.	Majority effective for annual periods beginning on or after 1 January 2010

2 Adoption of new and revised standards (continued)

2.3 Standards and Interpretations in issue not yet effective (continued)

New Interpretations and amendments to Interpretations:	Effective for annual periods beginning on or after
• IFRIC 17: *Distributions of Non-cash Assets to Owners*	1 July 2009
• IFRIC 19: *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010
• Amendment to IFRIC 14: *IAS 19: The limit on a defined Benefit Asset, Minimum Funding Requirement and their interaction*	1 January 2011
• Amendment to IFRIC 16: *Hedges of a Net Investment in a Foreign Operation*	1 July 2009
• Amendment to IFRIC 9 (revised): *Reassessment of Embedded Derivatives* relating to assessment of embedded derivatives in case of reclassification of a financial asset out of the 'FVTPL' category	1 July 2009

The directors anticipate that these amendments will be adopted in the Company's financial statements for the period beginning January 1, 2010 or when applicable. The directors have not yet had an opportunity to consider the potential impact of the adoption of these new standards and amendments.

3 Summary of significant accounting policies

3.1 Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of the Laws of the U.A.E.

The significant accounting policies adopted are as follows:

3.2 Accounting convention

The financial statements are prepared under the historical cost convention except for available-for-sale investments which are carried at fair value.

3 Summary of significant accounting policies (continued)

3.3 Property and equipment

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

The cost of property and equipment is their purchase costs, together with any incidental costs of acquisition.

Depreciation is charged so as to write off the cost of property and equipment on a straight line basis over the expected useful economic lives of the assets concerned.

Freehold improvement	5 to 10 years
Computer and office equipment	4 to 10 years
Furniture and fixtures	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

3.4 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements
for the year ended December 31, 2009 (continued)

3 Summary of significant accounting policies (continued)

3.5 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.6 Revenue recognition

Brokerage commission revenue is recognised when the service has been rendered and when the Company's right to receive the income has been established.

Interest income is accrued on a time and proportion basis, by reference to principal outstanding and at the effective interest rate applicable.

Dividends on AFS equity instruments are recognised in income statement when the Company's right to receive the dividends is established.

3.7 Foreign currencies

For the purpose of these financial statements U.A.E Dirhams (AED) is the functional and the presentation currency of the Company.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in income statement in the period in which they arise.

3.8 Trade and settlement date accounting

The "regular way" purchases and sales of financial assets and liabilities are recognised on the trade date basis i.e. the date that the Company physically enters into the contract. Regular way purchases or sales are those that require delivery of assets within the time frame generally established by regulation or convention in the market place.

3.9 Provision for end of service benefits

Provision for end of service benefit is made in accordance with local labour legislation and is based on current remuneration rates and cumulative service at the balance sheet date.

3 Summary of significant accounting policies (continued)

3.10 Offsetting

Financial assets and financial liabilities are only offset and the net amount disclosed in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.11 Financial assets

Financial assets are bank and cash, available-for-sale investments (AFS) and trade receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with banks in current accounts or deposits which mature within three months of the date of placement.

Available-for-sale financial assets

Quoted shares held by the Company that are traded in an active market but not intended to be traded frequently are classified as being available for sale and are stated at fair value. The fair value of investment in securities is determined by reference to quoted market prices at the close of business on the balance sheet date where available.

Gains and losses arising from changes in fair value are recognised directly in equity as a separate component under cumulative changes in fair value with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in income statement. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised is included in income statement for the period.

Trade receivables

Trade receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade receivables. Trade receivables are measured at amortised cost, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

3 Summary of significant accounting policies (continued)

3.11 Financial assets (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

3.12 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are classified as 'other financial liabilities' and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

4 Critical accounting judgements and key sources of estimation uncertainty

While applying the accounting policies as stated in Note 3, the management of the Company makes judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimate made by management are summarised as follows:

Investment in securities

As described in Note 3, investments are classified as available for sale. In judging whether investments are available for sale, management has considered the detailed criteria for determination of such classification as set out in IAS 39 "*Financial Instruments: Recognition and Measurement*".

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, is discussed below:

Trade receivables

Management has estimated the recoverability of trade receivable balances and has considered any allowance required for doubtful receivables. Management has estimated the allowance for doubtful receivables on the basis of prior experience, the current economic environment and other conditions including customer credit-worthiness, the personal guarantee of an Owner, undertakings of specific customers and the net realisable value of customer portfolios which the Company has the ability to liquidate under current market regulations.

For individually significant amounts, this estimation is performed on an individual basis. Management has not considered any impairment on trade and other receivables at the year end.

Useful lives and residual values of property and equipment

The useful lives and residual values of the property and equipment are based on management's judgement of the historical pattern of useful lives and the general standards in the industry. As described in Note 3 above, the useful lives and residual values are reviewed for reasonableness by management on an annual basis.

Notes to the financial statements
for the year ended December 31, 2009 (continued)

5 Property and equipment

	Freehold improvement AED'000	Computer and office equipment AED'000	Furniture and fixtures AED'000	Total AED'000
Cost				
At January 1, 2008	6,254	3,365	2,409	12,028
Additions	-	69	3	72
At January 1, 2009	6,254	3,434	2,412	12,100
Additions	36	2,460	38	2,534
At December 31, 2009	**6,290**	**5,894**	**2,450**	**14,634**
Accumulated depreciation				
At January 1, 2008	325	1,034	321	1,680
Charge for the year	629	854	481	1,964
At January 1, 2009	954	1,888	802	3,644
Charge for the year	632	3,282	487	4,401
At December 31, 2009	**1,586**	**5,170**	**1,289**	**8,045**
Carrying amount				
At December 31, 2009	**4,704**	**724**	**1,161**	**6,589**
At December 31, 2008	5,300	1,546	1,610	8,456

Additions mainly comprises of the Broker vision system which was capitalized.

Notes to the financial statements
for the year ended December 31, 2009 (continued)

6 Available-for-sale investments

	2009 AED'000	2008 AED'000
Quoted		
At 1 January	**1,770**	9,008
Increase/(decrease) in fair value	**893**	(7,238)
Fair value at 31 December	**2,663**	1,770

The above represent investment of 1,416,341 shares in Dubai Financial Market P.J.S.C. made on December 8, 2006.

7 Trade receivables

	2009 AED'000	2008 AED'000
Trade receivables from customers	**8,991**	15,737
Clearing accounts receivables	-	1,792
Due from related party (Note 11)	**58,298**	56,659
	67,289	74,188

The credit period for trade receivables is two days (Trade date plus two working days)

Before accepting any new customer, it is the Company policy that customers hold current accounts with Abu Dhabi Commercial Bank (ADCB), a related party.

Trade receivables from customers consist of only those customers holding a current account with ADCB, a related party (Note 11). The settlement date of these balances, two days from the transaction date, is settled by the customer through ADCB's current account.

There are no receivables which are past due at the reporting date.

8 Share capital

	Authorised AED'000	Issued and fully paid 2009 AED'000	Issued and fully paid 2008 AED'000
Ordinary shares of AED 10 each	**30,000**	**30,000**	30,000

Notes to the financial statements
for the year ended December 31, 2009 (continued)

9 Statutory reserve

In accordance with the U.A.E. Federal Commercial Companies law number (8) of 1984 (as amended) and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of the annual net profits until the reserve is equalled to 50% of the share capital. This reserve is not available for distribution.

10 Trade and other payables

	2009	2008
	AED'000	AED'000
Payables to other brokers	**3,550**	2,962
Trade payables to customers	**5,421**	14,525
Other payables	**2,286**	2,245
	11,257	19,732

Trade payable to customers consists of only those customers holding a current account with ADCB, a related party (Note 11). The settlement date of these balances is after two days from transaction date, and is settled to the customer through ADCB's current account.

11 Related party transactions

Related parties comprise the parent company – Abu Dhabi Commercial Bank P.J.S.C. ("ADCB"), its Directors and entities in which they have significant influence in operating and financial decisions. Details of material transactions with such related parties in the normal course of business are as follows:

	2009	2008
	AED'000	AED'000
Brokerage commission	**1,288**	1,968
Interest income	**151**	128
Commission expense on bank guarantee	**1,251**	1,752
Rent expenses	**620**	894
Remuneration of key management employee	**1,084**	972

Bank balances include AED 0.119 million (December 31, 2008 – AED 22.3 million) with ADCB. The Company also holds a Term Deposit amounting to AED 21 million as at the reporting date under normal course of business.

12 Contingent liabilities

	2009 AED'000	2008 AED'000
Bank guarantees	**300,000**	700,000

The above bank guarantees have been issued by ADCB, a related party (Note 11) in the normal course of business.

13 Financial instruments

13.1 Capital risk management

The Company manages its capital to ensure to be able to continue as a going concern while maximizing the return on equity. The Company does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objective. The Company's overall strategy remains unchanged from 2008.

13.2 Financial risk management objectives

The Company is exposed to the following risks related to financial instruments- credit risk, and liquidity risk. In addition to these risks, the bank balance exposes the Company to cash flow interest rate risk due to the variable interest rate liability. However, the magnitude of the risk is not considered to be significant in line with the volume of the balance held at the year end.

The Company's executive management function supports the business activities of the Company by ensuring that sufficient liquidity is maintained at all times, and by deploying liquid balances at optimum rates, within the risk parameters set by management and the governing laws and regulations.

13.3 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company, and arises principally from the Company's trade and other receivables and bank balances. The Company has adopted a policy of only dealing with creditworthy counterparties and with customers holding a current account with ADCB, the parent company, for whom the credit risk is assessed to be low. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

13.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. ADCB is the major source of funding for the Company and liquidity risk for the Company is assessed to be low.

The table below summarises the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the balance sheet date based on contractual repayment arrangements was as follows:

Notes to the financial statements
for the year ended December 31, 2009 (continued)

13 Financial instruments

13.4 Liquidity risk (continued)

The maturity profile of the financial assets and financial liabilities at December 31, 2009 was as follows:

	Total AED'000	Less than 30 days AED'000	30-90 days AED'000	90-180 days AED'000	Over 180 days AED'000
Trade receivables and prepayments	**67,345**	**67,289**	-	-	**56**
Deposit with a related party	**21,000**	**21,000**	-	-	-
Bank and cash	**119**	**119**	-	-	-
	88,464	**88,408**	-	-	**56**
Trade and other payables	**(11,257)**	**(9,307)**	**(1,811)**	-	**(139)**
Liquidity gap	**77,207**	**79,101**	**(1,811)**	-	**(83)**

The maturity profile of the financial assets and financial liabilities at December 31, 2008 was as follows:

	Total AED'000	Less than 30 days AED'000	30-90 days AED'000	90-180 days AED'000	Over 180 days AED'000
Trade receivables and prepayments	74,463	74,188	-	-	275
Bank and cash	22,303	22,303	-	-	-
	96,766	96,491	-	-	275
Trade and other payables	(19,732)	(17,586)	(2,115)	-	(31)
Liquidity gap	77,034	78,905	(2,115)	-	244

13.5 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes market variables such as interest rates, foreign exchange rates, and equity prices. The Company does not maintain a significant portfolio of interest bearing assets and liabilities and quoted and unquoted securities whereby it is exposed to market risk, as its main activity is to provide Brokerage Services pertaining to financial instruments and commodities.

Notes to the financial statements
for the year ended December 31, 2009 (continued)

13 Financial instruments (continued)

13.6 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Company. However, the Company does not maintain interest bearing assets that have a significant impact on its interest income.

13.7 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk as all the assets and liabilities are denominated in the reporting currency AED.

13.8 Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit and taking insurance coverage to cover possible insurable operational risks.

Fair value of financial instruments

Management considers that the carrying amounts of financial assets and liabilities in the financial statements approximate their fair values.

14 Approval of financial statements

The financial statements were approved by management and authorised for issue on January 31, 2010.