GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA
KINGDOM OF BAHRAIN

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

Commercial Registration No.	56359-1
Director	Mr. Andreas Stephanides
Registered Office	Flat 341, Block 304, Manama, Kingdom of Bahrain.
Bankers	HSBC Bank Middle East BHF Bank
Auditor	Deloitte & Touche, P.O. Box 421, Manama, Kingdom of Bahrain.

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

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GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

DIRECTOR'S REPORT

The Director presents his annual report and financial statements for the year ended December 31, 2010.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide management and business consultancy services and marketing consultancy services to projects within and outside the Kingdom of Bahrain.

REVIEW OF BUSINESS

The results for the year are set out on page 5 these financial statements.

APPROPRIATIONS

None.

CHANGES IN DIRECTOR

None.

AUDITOR

A resolution proposing the reappointment of Deloitte & Touche as the auditor of the Company for the year ending December 31, 2011 and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

On behalf of the board

Director
February 28, 2011

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER

General Gulf S.P.C. and Associate,
Manama,
Kingdom of Bahrain.

Report on the Financial Statements

We have audited the accompanying financial statements of General Gulf S.P.C. and Associate, ("the Company"), which comprise the statement of financial position as at December 31, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate 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 qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER (CONTINUED)

Basis for Qualified Opinion

The Company's investment in Edraktor Construction Co. Limited, a foreign associate ("the Associate") and accounted for by the equity method, is carried at BD 86,488 as at December 31, 2010 and the Company's share of the Associate's loss of BD 1,043 is included in profit or loss for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of this investment in Associate as at December 31, 2010 and of the Company's share of the Associate's results for the year because we were denied access to the financial information, management, and the auditors of the Associate. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of General Gulf S.P.C. and Associate as at December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Notes 10 and 6 (e) of the financial statements, which describe the arrangement regarding the cost of revenue and which disclose significant related party transactions. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the Company has maintained proper accounting records and the financial statements have been prepared in accordance with those records. We further report that, to the best of our knowledge and belief, the financial information provided in the Directors' report is in agreement with the financial statements and based on the information and explanations provided by the management which were required for the purpose of our audit, we are not aware of any violations of the relevant provisions of Bahrain Commercial Companies Law 2001 and the Company's Memorandum and Articles of Association having occurred during the year ended December 31, 2010 that might have had a material effect on the business of the Company or on its financial position.

Manama – Kingdom of Bahrain,
February 28, 2011

Deloitte & Touche

Deloitte & Touche

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2010

	Notes	2010 BD	2009 BD (Restated)
ASSETS			
Non-current asset			
Investment in an associate	5	86,488	87,531
Current assets			
Bank balances		59,679	30,091
Due from a related party	6	4,771,686	2,898,555
Total current assets		4,831,365	2,928,646
Total assets		4,917,853	3,016,177
EQUITY & LIABILITIES			
Equity and reserves			
Share capital	7	50,000	50,000
Statutory reserve	8	25,000	25,000
Retained earnings		3,584,846	1,302,782
Total equity and reserves		3,659,846	1,377,782
Liabilities			
Non-current liability			
Loan from a related party	6	306,975	95,400
Current liabilities			
Accrued expenses		39,001	20,134
Tax provision	9	175,514	201,879
Due to related parties	6	736,517	1,320,982
Total current liabilities		951,032	1,542,995
Total liabilities		1,258,007	1,638,395
Total equity and liabilities		4,917,853	3,016,177

The financial statements were approved and authorised for issue by the Director on February 28, 2011 and signed by:

Mr. Andreas Stephanides
Director

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

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	2010 BD	2009 BD (Restated)
Revenue	6	2,507,341	2,898,555
Cost of revenue	10	(101,862)	(1,303,814)
Gross profit		2,405,479	1,594,741
Share of associate's loss	5	(1,043)	(1,074)
General and administrative expenses	11	(10,926)	(13,942)
Finance costs	6	(15,079)	(5,465)
Other income	12	79,147	-
Profit before tax		2,457,578	1,574,260
Income tax expense	9	(175,514)	(201,879)
Profit for the year		2,282,064	1,372,381
Total comprehensive income for the year		2,282,064	1,372,381

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

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2010

	Share Capital BD	Statutory Reserve BD	(Accumulated Losses) / Retained Earnings BD	Total BD
At December 31, 2008	50,000	-	(44,599)	5,401
Total comprehensive income for the year (Restated-Note 12)	-	-	1,372,381	1,372,381
Transferred to statutory reserve	-	25,000	(25,000)	-
At December 31, 2009 (Restated)	50,000	25,000	1,302,782	1,377,782
Total comprehensive income for the year	-	-	2,282,064	2,282,064
Balance at December 31, 2010	50,000	25,000	3,584,846	3,659,846

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

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 BD	2009 BD (Restated)
Cash flows from operating activities:		
Profit for the year	2,282,064	1,372,381
Adjustment for:		
Share of associate's loss	1,043	1,074
Finance costs	15,079	5,465
Income tax expenses	175,514	201,879
	2,473,700	1,580,799
Increase in due from a related party	(1,873,131)	(2,898,555)
Increase in accrued expenses	18,867	10,866
(Decrease) / increase in due to related parties	(584,465)	1,303,814
Cash generated by / (used in) operating activities:	34,971	(3,076)
Tax paid	(201,879)	-
Net cash (used in) / from operating activities	(166,908)	3,076
Cash flows from financing activities:		
Loan from a related party	211,575	37,400
Finance costs paid	(15,079)	(5,465)
Net cash from financing activities	196,496	31,935
Net increase in cash and cash equivalents	29,588	28,859
Cash and cash equivalents at the beginning of the year	30,091	1,232
Cash and cash equivalents at the end of the year	59,679	30,091
Comprising:		
Bank balances	59,679	30,091

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

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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1. STATUS AND ACTIVITIES:

General Gulf Holding S.P.C. and Associate was registered as a single person company with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration No. 56359-1 on April 13, 2005. The original principal activities of the General Gulf Holding S.P.C. were to invest in shares, bonds and securities.

The principal activities of General Gulf Holding S.P.C. were amended to the following activities with effect from June 14, 2009.

1) Management and business administration consultancy; and
2) Provide marketing consultancy within and outside Bahrain.

As a result of the change in the business activities of the Company, the Company name was amended to "General Gulf S.P.C." ("the Company"), owned by Gulf Millennium Holdings Ltd ("the Parent Company"), with effect from the same date.

2. ADOPTION OF NEW AND REVISED STANDARDS:

2.1 Standards affecting the disclosures and presentation in the current year

None of the revised Standards that have been adopted in the current year, which were effective for annual periods beginning on or after January 1, 2010, have affected the disclosures and presentations in the financial statements. Details of those Standards adopted in these financial statements but that have had no effect on the amounts reported are set out in Note 2.2.

2.2 Standards 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.

		Effective for annual periods beginning on or after
New Interpretation:		
IFRIC 17	Distributions of Non-cash Assets to Owners	July 1, 2009

2. ADOPTION OF NEW AND REVISED STANDARDS: (CONTINUED)

2.2 Standards adopted with no effect on the financial statements (continued)

Amendments to Standards:		**Effective for annual periods beginning on or after**
IFRS 2	Share-based Payment – Amendments relating to Company cash-settled share-based payment transactions	January 1, 2010
IFRS 3	Business Combinations- Comprehensive revision on applying the acquisition method	July 1, 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from May 2008 annual improvements to IFRS's	July 1, 2009
IFRS 8	Operating Segments – Amendments for disclosure of segment assets	January 1, 2010
IAS 27	Consolidated and Separate Financial Statements-Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 28	Investments in Associates-Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 39	Financial Instruments: Recognition and Measurement-Amendments for eligible hedged Items	July 1, 2009
IAS 31	Interests in Joint Ventures-Consequential amendments arising from amendments to IFRS 3	July 1, 2009
Various Standards	Amendments resulting from April 2009 Annual Improvements to IFRS's	Various

GENERAL GULF S.P.C. AND ASSOCIATE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 Standards and Interpretations were in issue but not effective:

		Effective for annual periods beginning on or after
New Interpretation:		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010
New Standard:		
IFRS 9	Financial Instruments	January 1, 2013
Amendments to Standards and Interpretations:		
IFRS 1	First-time Adoption of International Financial Reporting Standards- Limited exemption from comparative IFRS 7 disclosures for First-time adopters	July 1, 2010
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
IAS 24	Related Party Disclosures	January 1, 2011
IAS 32	Financial Instruments: Presentation – Classification of Right Issues	February 1, 2010
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2011
Various Standards	Amendments resulting from May 2010 Annual Improvements to IFRS's	Various

The management anticipates that all of the above Standards and Interpretations as applicable, will be adopted in the Company's financial statements in future periods and that the adoption of those Standards and Interpretations will have no material impact on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the applicable requirements of the Bahrain Commercial Companies Law.

Basis of Preparation

The financial statements are prepared on the historical cost basis. The financial statements have been presented in Bahraini Dinars ("BD") being the functional currency of the Company.

The significant accounting policies adopted are as follows:

(a) **Investments in Associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for under the equity method, whereby the carrying amount of the investment is adjusted to recognise the Company's share in the net assets of the investee. Distributions received from an investee are deducted from the carrying amount of the investment.

Profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

(b) **Financial Assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

(c) 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 financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(d) 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 and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

(e) Accrued Expenses

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not. These are carried at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis.

(f) Long Term Loan

The long term loans are initially measured at fair value of the loans payable, net of transaction costs. These loans are subsequently carried at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis.

Effective Interest Method

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, to the net carrying amount on initial recognition.

(g) Provision

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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 (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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. SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

(h) Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) Taxation

Income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit or loss of the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(j) Foreign Currencies

Foreign currency transactions are recognised in BD using exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated into BD at the year end rates of exchange. Exchange differences arising on the settlement of transactions, and on the retranslation of monetary items, are included in profit or loss for the period.

(k) Revenue Recognition

Revenue from the rendering of services is recognised when all the following conditions are satisfied.

(a) The amount of revenue can be measured reliably;
(b) It is probable that the economic benefits associated with the transaction will flow to the entity;
(c) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
(d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY:

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities 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 are underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period 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.

Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 3, and due to the nature of operations, the management did not have to make judgements that may have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Stage of Completion

The Company estimates the cost to complete the projects in order to determine the stage of completion and accordingly the contract revenue being recognised. These estimates include the cost of potential claims by sub contractors and other contingencies which are subject to uncertainity.

Impairment of receivables

The Company's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

GENERAL GULF S.P.C. AND ASSOCIATE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

5. INVESTMENT IN AN ASSOCIATE:

Details of the Associate are as follows:

Name of associate	Place of incorporation	Proportion of ownership interest and voting power held		Principal activities
		2010	2009	
Edraktor Construction Co. Limited	Kingdom of Saudi Arabia	50%	50%	Carrying and contracting agreements for construction of buildings and works for roads, bridges, dams, tunnels and railways.

Summarised financial information in respect of the Associate is set out below. These information are based on management accounts as at September 30, 2010.

	2010 BD	2009 BD
Total assets	172,976	175,564
Total liabilities	-	502
Net assets	172,976	175,062
Company's share of Associate's net assets	86,488	87,531

	2010 BD	2009 BD
Total expenses	2,086	2,148
Total loss for the year	2,086	2,148
Company's share of Associate's loss for the year	1,043	1,074

6. RELATED PARTY TRANSACTIONS:

These represent transactions with related parties, i.e. Shareholder, Directors and senior management of the Company, their close family members and entities of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

(a) Loan from a related party:

This represents unsecured loan from the Parent Company - Gulf Millennium Holdings Limited which carries an interest rate of 6.5% (2009: 6.5%) per annum. The loan balance and repayment terms are as follows:

i) First loan of BD 58,000 obtained on June 8, 2007 and due for payment on June 7, 2012.
ii) Second loan of BD 37,400 (USD 100,000) was obtained on April 7, 2009 and is due for repayment on April 7, 2014.
iii) Third loan of BD 211,575 (EURO 420,000) was obtained on May 5, 2010 and is repayable on demand.

Movement of the loan is given below.	2010 BD	2009 BD
At January 1,	95,400	58,000
Additional loan obtained during the year	211,575	37,400
At December 31,	306,975	95,400

(b) Due from a related party balance represents the amount receivable from Aktor SA-Qatar in respect of consultation provided to them.

(c) Due to related parties mainly represent expenses paid by the related parties on behalf of the Company. These balances are interest free and have no specific repayment terms. Management considers these to be current liabilities.

(d) No remuneration was paid to the Director or any other members of key management during the year (2009: Nil).

GENERAL GULF S.P.C. AND ASSOCIATE
MANAMA – KINGDOM OF BAHRAIN

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

6. RELATED PARTY TRANSACTIONS: (CONTINUED)

(e) Transactions with the related parties are as follows:

	2010 BD	2009 BD
Revenue from transactions with a related party	2,507,341	2,898,555
Cost of revenue incurred in respect of transaction with a related party	-	1,303,814

7. SHARE CAPITAL:

Authorised, issued and fully paid up share capital is contributed as follows:

	2010 & 2009 No. of Shares	BD
Gulf Millennium Holdings Ltd, Cyprus (par value: BD 100)	500	50,000

8. STATUTORY RESERVE:

As required by the Bahrain Commercial Companies Law and the Company's Articles of Association, 10% of the profit for the year is required to be transferred to a statutory reserve until the reserve equals 50% of the issued share capital. The reserve is not available for distribution except in the circumstances stipulated in the Bahrain Commercial Companies Law. No transfer has been made as the reserve has been reached 50% of share capital.

9. TAX PROVISION:

	2010 BD	2009 BD (Restated)
At the beginning of the year	201,879	-
Tax expenses during the year	175,514	201,879
Tax paid	(201,879)	-
At the end of the year	175,514	201,879

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

9. TAX PROVISION: (CONTINUED)

	2010 BD	2009 BD
Revenue from Qatar	2,507,341	2,898,555
Income tax expense calculated at 7% (2009: 6.96%)	175,514	201,879

The above tax is payable for the work performed by the Company in Qatar.

10. COST OF REVENUE:

	2010 BD	2009 BD
Management consultancy fee	101,862	1,303,814

The management consultancy fee is based on an agreement between the Company and Nobox Enterprises Ltd. (2009: Millennium Construction Equipment & Trading L.L.C., a related party).

The amount is not specifically mentioned in the agreement and the charges are negotiated between the Company and the consultant upon execution of each service, on a case by case basis.

11. GENERAL AND ADMINISTRATIVE EXPENSES:

General and administrative expenses for the year comprise of:

	2010 BD	2009 BD
General expenses	5,000	5,750
Professional fee	2,520	5,642
Rent	2,400	2,400
Bank charges	299	150
Salary	707	-
	10,926	13,942

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

12. OTHER INCOME:

	2010 BD	2009 BD
Foreign currency exchange gain	79,147	-

13. CORRECTION OF ERROR:

During 2010, the Company paid income tax amounted to BD 201,879 to the Ministry of Finance in Qatar based on the 2009 profit which was not accrued in the prior year financial statements. As this is related to last year, the statement of comprehensive income and statement of financial position have been restated. The effect of this is shown below:

	December 31, 2009	
	Previously reported amount BD	Restated amount BD
Statement of financial position items:		
Tax provision	-	201,879
Statement of comprehensive income items:		
Income tax expenses	-	201,879

14. FINANCIAL INSTRUMENTS:

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Company include bank balances and due from a related party.

Financial liabilities of the Company include loan from a related party, accrued expenses and due to related parties.

(a) Significant accounting policies

Significant accounting policies and methods adopted, including the criteria for recognition, basis of measurement, and the basis on which income and expenses are recognised in respect of each class of financial assets and liabilities are set out in Note 3.

14. FINANCIAL INSTRUMENTS: (CONTINUED)

(b) Categories of financial instruments

Financial assets	2010 BD	2009 BD (Restated)
Receivables (including cash and bank balances)	4,831,365	2,928,646
	=======	=======
Financial liabilities		
At amortised cost	1,082,493	1,436,516
	=======	=======

(c) Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company through internal risk reports. These risks include market risk (which consists of foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

The risk associated with financial instruments and the Company's approaches to managing such risks are described below:

(d) Market risk management:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Company's activities expose it primarily to financial risk from changes in foreign exchange rates, equity price changes and interest rate changes which are described below:

(d-1) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's financial assets and liabilities are denominated in Bahraini Dinars and Euros. The balances in Euros are exposed to exchange rate fluctuations. The Company manages foreign currency risk by closely monitoring the exposure to foreign currency and having exposure within acceptable limits.

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14. FINANCIAL INSTRUMENTS: (CONTINUED)

(d) Market risk management: (Continued)

(d-1) Foreign currency risk (Continued)

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the reporting date are as follows:

	Liabilities	
	2010	2009
	BD	BD
Euros	1,105,224	1,416,382
	=======	=======

There are no monetary assets denominated in foreign currencies at the reporting dates.

Foreign currency sensitivity analysis

The sensitivity analysis includes translating outstanding foreign currency denominated monetary items at the period end for a 5% change in foreign currency rates with all other variables held constant. 5% represents management's assessment of the reasonable possible change in foreign currency rates. A positive number below indicates an increase in the income (a negative number indicates a decrease in income) where BD strengthens 5% against the relevant currency. For a 5% weakening of BD against the relevant currency, there would be an equal and opposite impact.

Currency	Effect on the result for the year 2010 BD	Effect on the result for the year 2009 BD
Euro	55,261	70,819
	=====	=====

(d -2) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in equity prices.

The Company is not exposed to significant equity price risk because it does not have financial instruments which are marked to market.

14. FINANCIAL INSTRUMENTS: (CONTINUED)

(d) Market risk management: (Continued)

(d -3) Interest rate risk

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

The Company's exposure to interest rate risk is limited to the loan from a related party which carries a fixed interest rate of 6.5% (2009: 6.5%) per annum. The Company is not exposed to significant interest rate risk as the interest rates are fixed.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The concentration of credit risk is limited to the amount due from a related party (Note 6). The Company seeks to limit its credit risk for the due from a related party by defining credit limits that are monitored regularly and establishing a settlement period for the amounts due.

The Company's credit risk on its bank balance is limited because the counterparties are reputable banks with high credit ratings assigned by international rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

(f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting commitments associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the management. The liquidity risk is maintained by continuously monitoring forecast and actual cash flows.

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14. FINANCIAL INSTRUMENTS: (CONTINUED)

(f) Liquidity risk (Continued)

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Effective Average Interest Rate	1-3 months BD	3 months to 1 year BD	Over 1 year BD	Total BD
2010					
Fixed interest bearing	6.5%	-	-	326,928	326,928
Non interest bearing	-	13,150	762,368	-	775,518
		13,150	762,368	326,928	1,102,446
2009					
Fixed interest bearing	6.5%	-	-	115,021	115,021
Non interest bearing	-	19,134	1,321,982	-	1,341,116
		19,134	1,321,982	115,021	1,456,137

The table below has been drawn up based on the undiscounted contractual maturities of its non-derivative financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Less than 1 month BD	1-3 months BD	Total BD
2010			
Non-interest earning	59,679	4,771,686	4,831,365
2009			
Non-interest earning	30,091	2,898,555	2,928,646

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14. FINANCIAL INSTRUMENTS: (CONTINUED)

(g) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The management believes that the fair value of the Company's financial instruments carried at amortised cost approximate their carrying amounts as at the reporting date.

There are no financial assets or financial liabilities carried at fair value as at the reporting date.

15. CAPITAL RISK MANAGEMENT:

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

The capital structure of the Company consists of equity comprising issued capital, reserves and retained earnings. The Company is free of external debt at the reporting dates.