

**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Financial statements and independent auditor's report  
For the period from 5 December 2009 to 31 December 2010**

**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

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For the period from 5 December 2009 to 31 December 2010

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<b>Contents</b>	<b>Page</b>
Independent auditor's report	1-2
Statement of financial position	3
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7 - 10

**INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS' OF AKTOR KUWAIT  
FOR GENERAL CONTRACTING AND RROADS COMPANY W.L.L**

*Report on the Financial Statements*

We have audited the accompanying financial statements of Aktor Kuwait for General Contracting and Roads Company W.L.L. ("the company") which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, changes in equity and cash flows for the period from 5 December 2009 to 31 December 2010, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

The company's 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 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.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2010, and its financial performance and cash flows for the period from 5 December 2009 to 31 December 2010 in accordance with International Financial Reporting Standards.



***Report on Other Legal and Regulatory Requirements***

Furthermore, in our opinion proper books of account have been kept by the company, an inventory count was duly carried out and the financial statements agree with the books of account. We further report that we have obtained the information and explanations that we required for the purpose of our audit and the financial statements include the information required by the Kuwait Commercial Companies Law of 1960, and by the company's articles of association, as amended. We have not become aware of any contravention, during the period from 5 December 2009 to 31 December 2010, of the Kuwait Commercial Companies Law of 1960 nor of the company's articles of association, as amended that would materially affect the company's activities or its financial position.

***Emphasis of matter***

Without qualifying our opinion, we draw the attention to note 11 in the financial statements regarding the Company's ability to continue as a going concern.



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**Qais M. Al-Nisf**  
**License No. 38-A**  
**Moore Stephens Al Nisf & Partners**  
**Member of Moore Stephens International**

**Kuwait: 23 February 2011**

**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Statement of financial position**

As at 31 December 2010

	Notes	<b>31 December 2010</b>
		<u>KD</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Plant and equipment	4	<u>981,331</u>
<b>Current assets</b>		
Due from related party	6	758,855
Pre payments		5,036
Cash and bank balances	5	<u>17,642</u>
<b>Total current assets</b>		<u>781,533</u>
<b>Total assets</b>		<u>1,762,864</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	7	100,000
Accumulated losses		<u>(90,480)</u>
<b>Total equity</b>		<u>9,520</u>
<b>Non-current liabilities</b>		
Provision for staff indemnity		10,759
<b>Current liabilities</b>		
Due to related party	6	1,464,846
Other payables	8	<u>277,739</u>
<b>Total current liabilities</b>		<u>1,742,585</u>
<b>Total liabilities</b>		<u>1,753,344</u>
<b>Total equity and liabilities</b>		<u>1,762,864</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

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*Partner*

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*Partner*

**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Statement of comprehensive income**

For the period from 5 December 2009 to 31 December 2010

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		<b>For the period from 5 December 2009 to 31 December 2010</b>
	Notes	KD
General and administrative expenses	9	(490,176)
Reimbursement of operating expenses	10	399,696
<b>Net loss and total comprehensive loss for the period</b>		<u>(90,480)</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Statement of changes in equity**

For the period from 5 December 2009 to 31 December 2010

	<u>Share capital</u> KD	<u>Accumulated losses</u> KD	<u>Total equity</u> KD
Share capital paid	100,000	-	100,000
Total comprehensive loss for the period	-	(90,480)	(90,480)
<b>Balance at 31 December 2010</b>	<u>100,000</u>	<u>(90,480)</u>	<u>9,520</u>

The notes on pages 7 to 10 form an integral part of these financial statements.



**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Statement of cash flows**

For the period from 5 December 2009 to 31 December 2010

	<b>For the period from 5 December 2009 to 31 December 2010</b>
	KD
<b>OPERATING ACTIVITIES</b>	
Net loss for the period	(90,480)
Adjustment for:	
Depreciation	340,613
Provision for staff indemnity	1,572
	<u>251,705</u>
Movements in working capital:	
Prepayments	(5,036)
Due from / to related parties - net	(207,043)
Other payables	277,739
<b>Net cash from operating activities</b>	<u>317,365</u>
<b>INVESTING ACTIVITIES</b>	
Purchase of plant and equipment	(399,723)
<b>Net cash used in investing activities</b>	<u>(399,723)</u>
<b>FINANCING ACTIVITIES</b>	
Share capital paid	100,000
<b>Net cash from financing activities</b>	<u>100,000</u>
<b>Net increase in cash and bank balances</b>	<u>17,642</u>
<b>Cash and bank balance at end of the period</b>	<u>17,642</u>
<b>NON CASH TRANSACTIONS :</b>	
<b>INVESTING ACTIVITIES</b>	
Transfer of plant and equipment	<u>(922,221)</u>

The notes on pages 7 to 10 form an integral part of these financial statements.



**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Notes to the financial statements**

For the period from 5 December 2009 to 31 December 2010

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**1. GENERAL INFORMATION**

Aktor Kuwait for General Contracting & Roads Company W.L.L. ("the company") is a limited liability Company registered in the State of Kuwait on 5 December 2009, and the commercial registration number is M/2598/2009. The Company is engaged in general construction and providing contracting services on Drainage, electricity fixtures, air conditioning, painting and carpentry works, roads, drainage and bridges, water networks and management of above activities in Kuwait.

The company is domiciled in Kuwait and its registered office is at office No 4 Basement, White house (Ali Bahman Mohammed.), Hamad Mubarak Street, Salmiya, State of Kuwait.

The financial statements of the company for the period from 5 December 2009 to 31 December 2010 were authorised for issue by the Partners' on 23 February 2011.

**2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

**2.1 *New standards, interpretations and amendments effective from 1 January 2010***

The following new and revised Standards and Interpretations are effective for the current period with no impact to the company's financial statements.

- *IAS 1 (Amended) Presentation of Financial Statements*
- *IAS 36 (Amended) Impairment of Assets*

**2.2 *New standards, interpretations and amendments not yet effective***

The following new standards, interpretations and amendments which are effective for periods beginning after 1 January 2010 and which have not been adopted early and are not expected to have any impact on the company's future financial statements:

- *IAS 24 (Amendment) Related Party Disclosures*
- *IAS 32 (Amendment) Financial Instruments: Presentation – Classification of Rights Issues*
- *IFRS 7 (Amendment) Financial Instruments: Disclosures*
- *IFRIC 19 Extinguishing financial liabilities with equity instruments*

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Statement of compliance**

The financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), IFRIC interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) and Commercial Companies Law of 1960, as amended.

**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Notes to the financial statements**

For the period from 5 December 2009 to 31 December 2010

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.2 Basis of preparation**

The financial statements are prepared on the historical cost basis.

The financial statements have been presented in Kuwaiti Dinars ("KD") and are prepared under the historical cost convention.

The principal accounting policies applied in the preparation of the financial statements are set out below.

**3.3 Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on prospective basis. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. Significant improvements and replacements of assets are capitalized. The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in statement of comprehensive income in the period in which they occur.

**3.4 Cash and bank balances**

Cash and bank balance includes cash in hand and bank demand accounts.

**4. PLANT AND EQUIPMENT**

	<u>Machinery and tools</u> KD	<u>Furniture and equipments</u> KD	<u>Motor vehicles</u> KD	<u>Total</u> KD
<b>Cost</b>				
Transfers	750,420	101,829	69,972	922,221
Additions	399,038	685	-	399,723
Balance at 31 December 2010	<u>1,149,458</u>	<u>102,514</u>	<u>69,972</u>	<u>1,321,944</u>
<b>Accumulated depreciation</b>				
Charge for the period	296,810	20,479	23,324	340,613
Balance at 31 December 2010	<u>296,810</u>	<u>20,479</u>	<u>23,324</u>	<u>340,613</u>
<b>Carrying amount</b>				
At 31 December 2010	<u>852,648</u>	<u>82,035</u>	<u>46,648</u>	<u>981,331</u>



**Aktor Kuwait for General Contracting & Roads Company W.L.L.  
Kuwait**

**Notes to the financial statements**

For the period from 5 December 2009 to 31 December 2010

**5. CASH AND BANK BALANCES**

	<b>31 December 2010</b>
	KD
Cash in hand	251
Cash at banks	17,391
	<u>17,642</u>

**6. RELATED PARTY TRANSACTIONS**

Related parties primarily comprise of partners, key management personnel, and companies of which they are the principle owners or over which they are able to exercise significant influence. The transactions with related parties are approved by the company's management.

The following is a summary of significant related party transactions and balances:

	<b>31 December 2010</b>
	KD
<b>Statement of financial position</b>	
<b>Due from related party</b>	
▪ Aktor copri JV	<u>758,855</u>
<b>Due to related parties:</b>	
▪ Aktor SA – Greece (Kuwait Operations)	934,707
▪ Aktor SA – Greece( Qatar Operations)	530,139
	<u>1,464,846</u>
	<b>For the period from 5 December 2009 to 31 December 2010</b>
	KD
<b>Statement of comprehensive income</b>	
▪ Purchase of plant and equipment	922,221
▪ Operating expenses reimbursed by Aktor S.A. and Copri Construction Enterprises W.L.L. – Joint-Venture and Aktor S.A. –Greece (Kuwait operation)	<u>399,696</u>

The company's share capital comprises 100 shares of KD 1,000 each and is held as follows:

	<b>Number of shares</b>	<b>Amount KD</b>
Nawal Al-Mijibil General Trading & Contracting Company W.L.L	51	51,000
Aktor Technical Anonym Company ( Greek Company)	49	49,000
	<u>100</u>	<u>100,000</u>

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**Notes to the financial statements**

For the period from 5 December 2009 to 31 December 2010

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**8. OTHER PAYABLES**

	<b>31 December 2010</b>
	<u>KD</u>
Payable to other suppliers	258,805
Accrued expenses	8,452
Provision for staff leave salary	10,482
	<u>277,739</u>

**9. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the period from 5 December 2009 to 31 December 2010</b>
	<u>KD</u>
Depreciation	340,613
Professional and legal fees	62,500
Others	87,063
	<u>490,176</u>

**10. REIMBURSEMENT OF OPERATING EXPENSES**

	<b>For the period from 5 December 2009 to 31 December 2010</b>
	<u>KD</u>
Equipment rental income	340,613
Labor camp rent	16,890
Other service income	42,193
	<u>399,696</u>

**11. GOING CONCERN**

The Company's losses at 31 December 2010 amounted to KD 90,480 which exceeds the 75% of the capital. The Partners have met and decided to continue the operations and to financially support the Company by providing necessary funds for its continued operations and to enable meet its liabilities as they fall due. Accordingly, these financial statements are prepared on going concern basis.