KAMPAC OIL MIDDLE EAST FZCO

JEBEL ALI FREE ZONE, DUBAI

UNITED ARAB EMIRATES

AUDIT REPORT – 31 DECEMBER 2009

FINANCIAL STATEMENTS AND AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

KAMPAC OIL MIDDLE EAST FZCO
JEBEL ALI FREE ZONE, DUBAI
UNITED ARAB EMIRATES

INDEX

SUFIAN AL-AGHA & CO.
Public Accountants

سفيان الأغا وشركاه
محاسبون قانونيون

Ref : .... المرجع

Date: .... التاريخ

AUDITOR'S REPORT

We have audited the accompanying financial statements of Kampac Oil Middle East FZCO, ("the Company") Jebel Ali Free Zone, Dubai, United Arab Emirates which comprise the balance sheet as at 31 December 2009, the income statement and statement of changes in shareholders' funds for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management 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.

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 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 audit opinion.

In our opinion the aforementioned financial statements present fairly, in all material respects, the financial position of Kampac Oil Middle East FZCO, Jebel Ali Free Zone, Dubai at 31 December 2009 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Yours faithfully,

SUFIAN AL AGHA & CO.

PUBLIC ACCOUNTANTS

Place : Dubai

Date : August 12, 2010

تليفون : ٢٩٥٥٢٧٤-٢٩٥٥٢٤٨ - ٠٤، فاكس : ٢٩٥٠٠٨١ - ٠٤، ص.ب: ٨٥٤٠، دبي ٢٣٦٥، الشارقة - بناية رحمة بن عبد الله الشامسي دوار الساعة-دبي - ا.ع.م.
Tel. : 04 - 2955248-2955274, Fax: 04 - 2950081, P.O.Box : 8540, Dubai, 2365,Shj. Rahma Bin Abdulla Al Shamsi Bldg. Clock Tower R/A Dubai - U.A.E.

KAMPAC OIL MIDDLE EAST FZCO
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STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2009

	Notes	2009 US Dollars	2008 US Dollars
ASSETS			
Non-current assets			
Property, plant and equipment	3	229,568	188,630
Investments	4	690,588	-
Intangible assets- oil blocks	5	208,000,000	218,400,000
		208,920,156	218,588,630
Current assets			
Accounts receivable and prepayments	6	106,000,077	756,843,404
Amounts due from related parties	7	115,409	-
Cash and bank balances	8	1,188,597	27,656
Total current assets		107,304,083	756,871,060
TOTAL ASSETS		**316,224,239**	**975,459,690**
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	9	163,265	163,265
Shareholders' current accounts	10	83,465,762	95,084,502
Retained earnings		230,587,030	146,992,451
Total shareholders' funds		314,216,057	242,240,218
Non Current liabilities			
Provision for employees' terminal benefits	11	61,717	61,717
Total non - current liabilities		61,717	61,717
Current liabilities			
Accounts payable and accruals	12	199,449	732,422,755
Term loans	13	-	735,000
Bank borrowings	14	1,714,112	
Amounts due to related parties	7	32,904	-
Total current liabilities		1,946,465	733,157,755
Total liabilities		2,008,182	733,219,472
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		**316,224,239**	**975,459,690**

The notes on pages 7 to 18 form part of these financial statements.

For Kampac Oil Middle East FZCO

Place : Dubai
Date : 12.08.2010

كامباك أويل الشرق الأوسط ش.م.ح.
KAMPAC OIL M. E. FZCO
JAFZA DUBAI

Manager

KAMPAC OIL MIDDLE EAST FZCO
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 US Dollars	2008 US Dollars
INCOME			
Sales		1,142,562,367	766,717,714
Cost of sales		(1,057,774,600)	(732,410,141)
GROSS PROFIT		**84,787,767**	**34,307,573**
Other income		18,965	-
TOTAL INCOME		**84,806,732**	**34,307,573**
EXPENSES			
Administration and general expenses	15	1,101,510	16,229,370
Finance charges	16	18,364	-
Depreciation	3	92,279	219,421
		1,212,153	**16,448,791**
Net profit for the year		**83,594,579**	**17,858,782**

The notes on pages 7 to 18 form part of these financial statements.

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STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2009

Year to 31 December 2009	Share capital	Shareholders' current accounts	Retained earnings	Total
	US Dollars	US Dollars	US Dollars	US Dollars
Balance at 1 January 2009	163,265	95,084,502	146,992,451	242,240,218
Net profit for the year	-	-	83,594,579	83,594,579
Net movements during the year	-	(11,618,740)	-	(11,618,740)
Balance at 31 December 2009	**163,265**	**83,465,762**	**230,587,030**	**314,216,057**

Year to 31 December 2008	Share capital	Shareholders' Current accounts	Retained earnings	Total
	US Dollars	US Dollars	US Dollars	US Dollars
Balance at 1 January 2008	163,265	95,084,502	129,133,669	224,381,436
Net profit for the year	-	-	17,858,782	17,858,782
Balance at 31 December 2008	**163,265**	**95,084,502**	**146,992,451**	**242,240,218**

The notes on pages 7 to 18 form part of these financial statements.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 US Dollars	2008 US Dollars
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	83,594,579	17,858,782
Adjustment for:		
Depreciation	92,279	219,421
Provision for employees' terminal benefits	-	2,939
Operating profit before working capital changes	83,686,858	18,081,142
Decrease/(increase) in accounts receivable and prepayments	650,843,327	(42,553,021)
(Increase) in amounts due from related parties	(115,409)	-
(Decrease)/increase in accounts payable and accruals	(732,223,306)	34,877,274
Increase in amounts due to related parties	32,904	-
Net cash from operating activities	2,224,374	10,405,395
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(133,217)	(39,078)
(Increase) in investments	(690,588)	-
Decrease/(increase) in intangible assets - oil blocks	10,400,000	(10,400,000)
	9,576,195	(10,439,078)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	(11,618,740)	-
(Decrease)/increase in term loans	(735,000)	35,000
Increase in bank borrowings	1,714,112	-
Net cash (used in)/from financing activities	(10,639,628)	35,000
Net increase in cash and cash equivalents	1,160,941	1,317
Cash and cash equivalents at beginning of the year	27,656	26,339
Cash and cash equivalents at end of the year	**1,188,597**	**27,656**

The notes on pages 7 to 18 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009

1 LEGAL STATUS AND ACTIVITY :

Status : KAMPAC OIL MIDDLE EAST FZCO ("the Company") is a Free Zone Company registered with limited liability pursuant to Dubai Law No. (2) of 1986 and the Implementing Regulations issued there under by the Jebel Ali Free Zone Authority. The Company is operating under license No. 3163 issued on 30 September 2001 by the Jebel Ali Free Zone Authority, Government of Dubai.

Activity : The principal activity of the Company is trading in oil field and natural gas equipment, spare parts, construction equipment, machinery, environment protection equipment, pumps, engines, valves, spare parts, power generation, transmission, distribution equipment, ports, marine guide equipment, petrochemicals, lubricants, grease, refined oil products, fuel, tar, asphalt, oil field chemicals and crude oil. The principal place of business of the Company is located at LB 16310, Jebel Ali Free Zone, Dubai.

Shareholding pattern : The shareholding pattern of the Company at end of the year under review was as follows:-

	Name of the shareholder	No of shares	% of holding
1)	Kampac International PLC (Formerly Aqua Power International PLC)	5	83%
2)	Mr. Charles Ampofo	1	17%
	Total	**6**	**100%**

Management : As per license issued by Jebel Ali Free Zone Authorities, Mr. Charles Ampofo, Ghanaian National has been appointed as Manager of the Company.

Accounting period : These financial statements relate to the period from 1 January 2009 to 31 December 2009.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the Company.

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2.1 Basis of preparation (continued)

The accounting policies adopted have been consistently applied in dealing with items considered material to the Company's financial statements.

Basis of measurement

The financial statements are prepared under the historical cost convention, modified to incorporate changes to the carrying values of property, plant, and equipment as described in note 3 to the financial statements.

2.2 Changes in accounting policies

In the current year, the Company has adopted all applicable new and revised Standards and Interpretations issued by IASB and the IFRIC that are effective for accounting periods beginning on or after 1 January 2009.

In particular, the following Standards, have resulted in revised disclosure requirements for the current period:

- Amendments to IAS 1 'Presentation of Financial Statements' primarily required the following disclosures:
  - 'Balance sheet' and 'Cash flow statement' have been described as 'Statement of Financial Position', and 'Statement of Cash Flows' respectively (optional amendments);
  - All owner changes in equity are presented in the statement of changes in equity separately from non-owner changes in equity;
  - A statement of financial position as at the beginning of the earliest comparative period will be prepared whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.
- Amendments to IFRS 7 'Financial Instruments: Disclosures' (issued in March 2009) requires enhanced disclosures about fair value measurements and liquidity risk. An entity shall now classify fair value measurements using a fair value hierarchy (Levels 1, 2 and 3) that reflects the significance of the inputs used in making the measurements.
- There have been other amendments issued by IASB as part of its annual improvements project in the year 2008 that are applicable for accounting periods commencing 1 January 2009. The amendments have been categorized into two parts by IASB. Part I contains amendments that result in accounting changes for presentation, recognition or measurement purposes. Part II contains amendments that are terminology or editorial changes only, which is expected to have no or minimal effect on accounting.

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NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009

2.2 Changes in accounting policies (continued)

Certain amendments to existing standards have been published that are effective and mandatory for accounting periods commencing on or after 1 July 2009, which the Management have decided to adopt from the applicable periods. The amendments likely to be relevant to the Company are as follows:

- Amendments to IFRS 3 'Business Combinations' introduces significant changes on acquisition accounting, including the following:

  * Expensing certain acquisition related costs in the period in which they are incurred;

  * An option to recognize the entire goodwill of an acquired entity and not just the acquiring entity's portion of goodwill; and

  * Guidance on the accounting treatment for step by step acquisition and on partial disposal of subsidiary (with or without losing control).

  An entity shall apply this IFRS for annual periods beginning on or after 1 July 2009, though earlier application is permitted.

- Amendments to IAS 24 'Related party disclosures' has simplified the definition of a related party. clarifying its intended meaning and eliminated inconsistencies from the definition. The amendments have also provided a partial exemption from the disclosure requirements for government-related entities. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2011, though earlier application is permitted.

- IFRS 9 'Financial Instruments' was issued partially in November 2009 and will eventually replace IAS 39 'Financial Instruments: Recognition and Measurement'. The chapters issued in November 2009 related to the classification and measurement of financial assets. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2013, though earlier application is permitted.

2.3 Significant accounting policies

a Property, plant and equipment

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Land is not depreciated. Improvements are capitalized and depreciated over their expected useful lives.

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NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009

2.3 Significant accounting policies (continued)

b Depreciation

The cost of property, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Furniture and fixture	4 years
Office equipment	4 years
Motor vehicle	4 years

c Employees' terminal benefits

Provision is not made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment.

d Foreign currencies

Functional and presentation currency

The financial statements are presented in United State Dollars (US Dollars), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

e Accounts receivable

Accounts receivable originated by the Company are measured at cost. An allowance for credit losses of accounts receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the accounts receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When an accounts receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of accounts receivable approximate to their fair value due to the short term nature of those receivables.

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2.3 Significant accounting policies (continued)

f Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the Company.

g Finance charges

Finance charges that are directly attributable to the acquisition and constructing of property and equipment are capitalized as part of the cost of those assets. Other finance charges are recognized as an expense in the year in which they are incurred.

h Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash and bank balances.

i Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

j Impairment

Financial assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

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NOTES TO THE FINANCIAL STATEMENTS
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2.3 Significant accounting policies (continued)

k Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost.

l Sales

Sales represents the invoiced value of goods sold during the year less returns and discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

m Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and 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 revisions affects both current and future periods.

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NOTES TO THE FINANCIAL STATEMENTS
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2.4 Significant accounting estimates (continued)

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

Impairment of accounts receivable and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and amounts due from related parties are made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

3 PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 18.

4 INVESTMENTS

	2009 US Dollars	2008 US Dollars
Investment made during the year	690,588	-
	690,588	**-**

5 INTANGIBLE ASSETS - OIL BLOCKS

	2009 US Dollars	2008 US Dollars
Oil blocks in Saint Louis - Offshore, Senegal	120,000,000	130,400,000
Oil blocks in Saint Louis - Onshore, Senegal	88,000,000	88,000,000
	208,000,000	**218,400,000**

6 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009 US Dollars	2008 US Dollars
Accounts receivable	105,969,800	756,131,698
Other receivables and prepayments	30,277	711,706
	106,000,077	**756,843,404**

At the balance sheet date net accounts receivable is due from 1 customer.

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6 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

Ageing analysis of accounts receivable	2009 US Dollars	2008 US Dollars
Due for less than 6 months	105,969,800	756,131,698
Due for more than 6 months	-	-
	105,969,800	**756,131,698**

7 RELATED PARTY TRANSACTION

The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns, in which the shareholders/directors/manager of the branch and/or their relatives have an investing/controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. Amounts due from/to related parties do not attract interest and are payable on demand.

AMOUNTS DUE FROM RELATED PARTIES	2009 US Dollars	2008 US Dollars
Kampac Resources Ghana	1,324	-
Kampac Resources UK	554	-
Kampac Resources Ghana Limited	113,531	-
	115,409	**-**

AMOUNTS DUE TO RELATED PARTIES	2009 US Dollars	2008 US Dollars
Kampac Resources USA	32,904	-
	32,904	**-**

8 CASH AND BANK BALANCES

	2009 US Dollars	2008 US Dollars
Cash in hand	6,875	2,857
Current account with banks	1,181,722	24,799
	1,188,597	**27,656**

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9 SHARE CAPITAL	2009 US Dollars	2008 US Dollars
Authorised, issued and paid-up capital (6 shares of AED 100,000 each) 1 USD = AED 3.675	163,265	163,265
	163,265	**163,265**

10 SHAREHOLDERS' CURRENT ACCOUNTS

Shareholders' current account balances do not attract interest and there are no defined repayment arrangements.

11 PROVISION FOR EMPLOYEES' TERMINAL BENEFITS

The provision for end of service benefits for employees is made in accordance with the requirements of the U.A.E. Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.

12 ACCOUNTS PAYABLE AND ACCRUALS	2009 US Dollars	2008 US Dollars
Trade accounts payable	-	732,368,470
Accruals and other payables	199,449	54,285
	199,449	**732,422,755**

13 TERM LOAN	2009 US Dollars	2008 US Dollars
Opening balance	735,000	700,000
Add: Availed during the year (as certified by the manager)	415,925	35,000
Less: Paid during the year	(1,150,925)	-
	-	**735,000**

14 BANK BORROWINGS	2009 US Dollars	2008 US Dollars
Short term loans	1,714,112	-
	1,714,112	**-**

Bank borrowings are secured by the current account deposits and investments.

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15	ADMINISTRATION AND GENERAL EXPENSES	2009 US Dollars	2008 US Dollars
	Staff salaries and benefits	274,566	151,102
	Rent expenses	407,584	14,642
	Communication expenses	32,839	39,004
	Travelling and conveyance	52,378	102,199
	Legal and professional fees	108,467	34,060
	Selling and distribution expenses	42,432	3,690
	Printing and stationery	7,748	4,541
	Repairs and maintenance	26,663	-
	Water and electricity charges	6,521	-
	Insurance charges	1,790	-
	Other expenses	140,522	15,880,132
		1,101,510	**16,229,370**

16	FINANCE CHARGES	2009 US Dollars	2008 US Dollars
	Interest and bank charges	18,364	-
		18,364	**-**

17 FINANCIAL RISK AND CAPITAL MANAGEMENT

17.1 Financial risk factors

Financial assets of the Company include cash, bank balances, accounts receivable , prepayments and amounts due from related parties Financial liabilities include accounts payable, accruals, other payables and amounts due to related parties.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

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17 FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

17.1 Financial risk factors (continued)

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in United States Dollars (USD) or currencies fixed to the USD. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the USD with all over variables held constant.

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, amounts due from related parties and accounts receivable. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on accounts receivable and amounts due from related parties are subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

17.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

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18 CAPITAL COMMITMENTS

There were no material capital commitments at the balance sheet date.

19 CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date.

20 COMPARATIVE FIGURES

Previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

21 LEVEL OF PRECISION

All figures are rounded off to nearest United States Dollars (US Dollars).

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3 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Office equipments	Motor vehicles	Total
	US Dollars	US Dollars	US Dollars	US Dollars
Cost:				
at 1 January 2009	171,428	21,815	716,374	909,617
additions during the year	130,346	2,871	-	133,217
at 31 December 2009	301,774	24,686	716,374	1,042,834
Depreciation:				
at 1 January 2009	25,001	6,369	689,617	720,987
charge for the year	60,588	4,934	26,757	92,279
at 31 December 2009	85,589	11,303	716,374	813,266
Net book values:				
at 31 December 2009	**216,185**	**13,383**	**-**	**229,568**
at 31 December 2008	**146,427**	**15,446**	**26,757**	**188,630**