MILLENNIUM OFFSHORE SERVICES SUPERHOLDINGS L.L.C.
AND SUBSIDIARIES

Consolidated financial statements and independent auditor's report for the year ended 31 December 2011

MILLENNIUM OFFSHORE SERVICES SUPERHOLDINGS L.L.C. AND SUBSIDIARIES

Contents **Pages**

Independent auditor's report	**1**
Consolidated statement of financial position	**2**
Consolidated statement of comprehensive income	**3**
Consolidated statement of changes in equity	**4**
Consolidated statement of cash flows	**5**
Notes to the consolidated financial statements	**6 - 28**

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Independent Auditor's Report

The Shareholders
Millennium Offshore Services Superholdings L.L.C.
Republic of the Marshall Islands

We have audited the accompanying consolidated financial statements of **Millennium Offshore Services Superholdings L.L.C. and Subsidiaries (together the "Group") – Republic of the Marshall Islands** which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

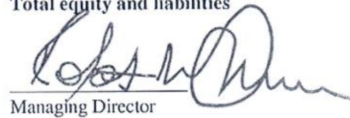
Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Millennium Offshore Services Superholdings L.L.C. and Subsidiaries – Republic of the Marshall Islands** as at 31 December 2011, and their consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

16 December 2012

Consolidated statement of financial position
At 31 December 2011

	Notes	2011 USD	2010 USD
ASSETS			
Non-current assets			
Property and equipment	5	**232,205,426**	158,229,282
Current assets			
Inventories	6	**1,279,085**	550,879
Due from a related party	7	**133,633**	-
Trade and other receivables	8	**17,136,406**	10,261,569
Bank balances and cash	9	**4,636,866**	2,744,983
Total current assets		**23,185,990**	13,557,431
Total assets		**255,391,416**	171,786,713
EQUITY AND LIABILITIES			
Equity			
Capital contribution	10	**96,705,765**	66,705,765
Retained earnings		**50,916,814**	40,289,195
Total equity		**147,622,579**	106,994,960
Non-current liabilities			
Provision for employees' end of service indemnity	11	**258,001**	269,019
Other financial liabilities	12	**11,600,000**	-
Bank borrowings	13	**26,305,700**	41,888,500
Derivative financial instrument	14	**1,158,056**	2,275,750
Total non-current liabilities		**39,321,757**	44,433,269
Current liabilities			
Other financial liabilities	12	**5,900,000**	-
Bank borrowings	13	**17,475,540**	15,967,700
Due to related parties	7	**3,498,446**	783,040
Trade and other payables	15	**41,573,094**	3,607,744
Total current liabilities		**68,447,080**	20,358,484
Total liabilities		**107,768,837**	64,791,753
Total equity and liabilities		**255,391,416**	171,786,713


Managing Director

Finance Director

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

Consolidated statement of comprehensive income
For the year ended 31 December 2011

	Notes	**2011 USD**	2010 USD
Revenue	**16**	**58,939,388**	47,868,738
Direct costs	**17**	**(41,403,647)**	(31,977,538)
Gross profit		**17,535,741**	15,891,200
General and administrative expenses	**18**	**(4,753,920)**	(4,944,768)
Unrealised gain on fair valuation of interest rate swap	**14**	**1,117,694**	621,529
Finance costs		**(2,438,982)**	(3,050,270)
Other income		**483,377**	1,511,179
Profit before tax		**11,943,910**	10,028,870
Income tax expense		**(1,316,291)**	(538,063)
Profit for the year		**10,627,619**	9,490,807
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**10,627,619**	9,490,807

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

Consolidated statement of changes in equity
For the year ended 31 December 2011

	Capital contribution USD	Retained earnings USD	Total USD
Balance at 31 December 2009	66,705,765	40,798,388	107,504,153
Total comprehensive income for the year	-	9,490,807	9,490,807
Dividends paid (Note 19)	-	(10,000,000)	(10,000,000)
Balance at 31 December 2010	66,705,765	40,289,195	106,994,960
Additional capital contributed	30,000,000	-	30,000,000
Total comprehensive income for the year	-	10,627,619	10,627,619
Balance at 31 December 2011	**96,705,765**	**50,916,814**	**147,622,579**

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

Consolidated statement of cash flows
For the year ended 31 December 2011

	2011 USD	2010 USD
Cash flows from operating activities		
Profit for the year	**10,627,619**	9,490,807
Adjustments for:		
Depreciation of property and equipment	**14,129,793**	12,506,161
Gain on disposal of property and equipment	**(46,574)**	-
Unrealised gain on fair valuation of interest rate swap	**(1,117,694)**	(621,529)
Finance costs	**2,438,982**	3,050,270
Income tax expenses	**1,316,291**	538,063
Provision for employees end of service indemnity	**114,086**	119,412
Operating cash flows before changes in operating assets and liabilities	**27,462,503**	25,083,184
Increase in inventories	**(728,206)**	(1,198)
(Increase)/decrease in due from a related party	**(133,633)**	220,000
(Increase)/decrease in trade and other receivables	**(6,874,837)**	26,635,840
Increase in due to related parties	**2,715,406**	360,493
Increase/(decrease) in trade and other payables	**37,050,939**	(10,750,868)
Net cash generated from operating activities	**59,492,172**	41,547,451
Finance costs paid	**(2,344,143)**	(2,939,033)
Income tax paid	**(496,719)**	-
Employee's end of service indemnity paid	**(125,104)**	(43,755)
Net cash flows from operating activities	**56,526,206**	38,564,663
Cash flows from investing activities		
Purchase of property and equipment	**(70,605,937)**	(15,945,063)
Proceeds from disposal of property and equipment	**46,574**	-
Increase in fixed deposits	**(466,942)**	(950,000)
Net cash used in investing activities	**(71,026,305)**	(16,895,063)
Cash flows from financing activities		
Term loans repaid during the year	**(14,000,100)**	(15,582,800)
(Decrease)/increase in bank overdraft	**(74,860)**	374,510
Dividends paid	**-**	(10,000,000)
Additional capital contribution	**30,000,000**	-
Net cash generated from/(used in) financing activities	**15,925,040**	(25,208,290)
Net increase/(decrease) in cash and cash equivalents	**1,424,941**	(3,538,690)
Cash and cash equivalents at the beginning of the year	**1,794,983**	5,333,673
Cash and cash equivalents at the end of the year (Note 9)	**3,219,924**	1,794,983

Note: Addition to property and equipment of USD 17.5 million is not reflected in the consolidated statement of cash flows (Note 12).

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

Notes to the consolidated financial statements
For the year ended 31 December 2011

1. General information

Millennium Offshore Services Superholdings L.L.C. – Republic of the Marshall Islands (the "Company") was incorporated on 12 June 2007 under the Limited Liability Company Act 1996 of the Republic of Marshall Islands. The address of the Company's registered office is Trust Company Complex, Ajeltake Island, Ajeltake Road, Majuro, Marshall Islands (MH 96960).

The "Group" comprises Millennium Offshore Services Superholdings L.L.C. and Subsidiaries (see Note 3). The ultimate holding Company is Millennium Offshore Services L.L.C.

The principal activity of the Company is to invest in stocks and other securities of companies engaged in the business of purchasing, maintaining, operating and investing in floating accommodation units.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised International Financial Reporting Standards (IFRSs) adopted with no material effect on the consolidated financial statements

The following new and revised IFRSs have been adopted in these consolidated financial statements. The adoption of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 24 *Related Party Disclosures* modify the definition of a related party and simplify disclosures for government-related entities.

- Amendments to IAS 32 *Classification of Rights Issues* address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability.

- Amendments to IFRS 1 relating to *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*.

- Improvements to IFRSs issued in 2010 – Amendments to: IFRS 1; IFRS 3 (2008); IFRS 7; IAS 1; IAS 27 (2008); IAS 34; IFRIC 13.

- Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*. The amendments allow recognition of an asset in the form of prepaid minimum funding contribution.

- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular equity instruments issued under such arrangements are measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued are recognised in profit or loss.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted

The Group has not early applied the following new standards, amendments and interpretations that have been issued but not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
• Amendments to IFRS 1 *Severe Hyperinflation*	1 July 2011
• Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* relating to accounting for government loans at below market interest rate.	1 January 2013
• Amendments to IFRS 7 *Disclosures Transfers of Financial Assets* increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.	1 July 2011
• Amendments to IFRS 7 *Financial Instruments: Disclosures* enhancing disclosures about offsetting of financial assets and liabilities	1 January 2013
• Amendments to IFRS 7 *Financial Instruments*: Disclosures relating to disclosures about the initial application of IFRS.	1 January 2015 (or otherwise when IFRS 9 is first applied)
• IFRS 9 *Financial Instruments* issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.	1 January 2015

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
▪ The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.	
• IFRS 10 *Consolidated Financial Statements** uses control as the single basis for consolidation, irrespective of the nature of the investee. IFRS 10 requires retrospective application subject to certain transitional provisions providing an alternative treatment in certain circumstances. Accordingly IAS 27 *Separate Financial Statements** and IAS 28 *Investments in Associates and Joint Ventures** have been amended for the issuance of IFRS 10.	1 January 2013
• IFRS 11 *Joint Arrangements** establishes two types of joint arrangements: Joint operations and joint ventures. The two types of joint arrangements are distinguished by the rights and obligations of those parties to the joint arrangement. Accordingly IAS 28 *Investments in Associates and Joint Ventures* has been amended for the issuance of IFRS 11.	1 January 2013
• IFRS 12 *Disclosure of Interests in Other Entities** combines the disclosure requirements for an entity’s interests in subsidiaries, joint arrangements, associates and structured entities into one comprehensive disclosure Standard.	1 January 2013
• Amendments to IFRS 10, IFRS 11 and IFRS 12 transition guidance issued in June 2012.	When IFRS 10, IFRS 11 and IFRS 12 are first adopted

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised International Financial Reporting Standards (IFRSs) in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
• IFRS 13 *Fair Value Measurement* issued in May 2011 establishes a single framework for measuring fair value and is applicable for both financial and non-financial items.	1 January 2013
• Amendments to IAS 1 *Presentation of Other Comprehensive Income* retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate statements. However, items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss with tax on items of other comprehensive income required to be allocated on the same basis.	1 July 2012
• Annual Improvements 2009 – 2011 Cycle covering amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.	1 January 2013
• Amendments to IAS 12 *Income Taxes* provide an exception to the general principles of IAS 12 for investment property measured using the fair value model in IAS 40 Investment Property by the introduction of a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale.	1 January 2012
• Amendments to IAS 19 *Employee Benefits* eliminate the "corridor approach" and therefore require an entity to recognize changes in defined benefit plan obligations and plan assets when they occur.	1 January 2013
• Amendments to IAS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities.	1 January 2014
• IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013

*In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period beginning 1 January 2012 or as and when they are applicable and adoption of these new standards, interpretations and amendments.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

3. Significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principle accounting policies adopted are set out below:

3.3 Basis of consolidation

The consolidated financial statements of Millennium Offshore Services Superholdings L.L.C. and Subsidiaries (the "Group") incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3.4 Subsidiaries

Details of the Company's subsidiaries at 31 December 2011 are as follows:

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Principal activity
Millennium Offshore Services Holding L.L.C.	Republic of the Marshall Islands	100%	Management of business of its subsidiaries.
Millennium Offshore Services Management L.L.C.	Republic of the Marshall Islands	100%	Management of business of its subsidiaries.
Millennium Offshore Services Management PTE	Singapore	100%	Management of business of its subsidiaries.
Millennium Offshore Services PTE	Singapore	100%	Providing offshore accomodation facilities on rental
Burj L.L.C.	Republic of the Marshall Islands	100%	Providing offshore accomodation facilities on rental

3.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

3. Significant accounting policies (continued)

3.5 Revenue recognition (continued)

3.5.1 Rendering of services

Revenue from services is recognised when the services are rendered.

3.5.2 Rental of Offshore accommodation units

Rental income of offshore accommodation units is recognised on the basis of accommodation facilities utilised by customers.

3.6 Foreign currencies

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of the Group are expressed in United States Dollars (“USD”), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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 profit or loss in the period in which they arise.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

3.8 Property and equipment

Property and equipment, except capital work-in-progress are stated at their cost, less any accumulated depreciation and any identified impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

3. Significant accounting policies (continued)

3.8 Property and equipment (continued)

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method. 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.

Depreciation on offshore accommodation units is calculated after considering the salvage value.

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

The following useful lives are used in calculation of depreciation:

	Years
Offshore accommodation units	15 - 25
Offshore accommodation units upgrade	5
Offshore accommodation units equipment	5
Furniture, fixtures & office equipment	2 - 5
Motor vehicles	2
Dry docking costs (included with offshore accommodation units)	5

3.9 Offshore accommodation units repairs and surveys

Upon acquisition of an offshore accommodation unit, the components of the unit which are required to be replaced at the next dry-docking are identified and their costs are depreciated over the period to the next estimated dry-docking date. Costs incurred on subsequent dry-docking of offshore accommodation units are capitalised and depreciated over the period to the next estimated dry-docking date. When significant dry-docking costs incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off immediately.

3.10 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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 Group 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

3. Significant accounting policies (continued)

3.10 Impairment of tangible assets (continued)

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.

3.11 Inventories

Spares, consumables and supplies are stated at the lower of cost and net realisable value. Cost is calculated using the FIFO method.

3.12 Income tax

Provision for current tax is based on taxable income at the applicable rate of income tax after taking into account tax credits and rebates, if any. The Group takes into account the current applicable tax law and decision taken by taxation authorities.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 reporting 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.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3.15 Financial assets

The Group's financial assets include bank balances and cash, trade and other receivables (excluding prepaid expenses and advances to suppliers) and due from a related party. Trade and other receivables (excluding prepaid expenses and advances to suppliers) and due from a related party are classified as 'loans 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)

3.15 Financial assets (continued)

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

3.15.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.15.2 Loans and receivables

Loans and receivables that have fixed or determinable payments are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment.

3.15.3 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 trade 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 Group's past experience of collecting payments, an increase in the number of delayed payments, 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.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

3. Significant accounting policies (continued)

3.15 Financial assets (continued)

3.15.4 Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

3.16 Financial liabilities and equity instruments issued by the Group

3.16.1 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.

3.16.2 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 Group are recorded at the proceeds received, net of direct issue costs.

3.16.3 Financial liabilities

Bank borrowings, due to related parties, trade and other payables (excluding provision for income tax and advances from customers) and derivative financial instrument are classified as ‘other financial liabilities’.

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.

3.16.4 Other financial liabilities

Other financial liabilities 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.

3.16.5 Derecognition of financial liabilities

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

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

3. Significant accounting policies (continued)

3.17 Derivative financial instruments

The Group enters into interest rates swap derivative transactions to manage its exposure to interest rate risk.

Derivatives financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. All the derivatives financial instruments are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. A derivative financial instrument is presented as non-current assets or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivative financial instruments are presented as current assets or current liabilities.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group'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 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 revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

In the process of applying Group's accounting policies, Management is of the opinion that the following is the instance of application of judgement which is expected to have a significant effect on the amounts recognised in the consolidated financial statements, apart from those involving estimations described below.

4.1.1 Fair value of derivative financial instruments

At 31 December 2011 the Group has outstanding interest rate swaps as disclosed in the Note 14 to these consolidated financial statements. The fair value of this interest rate swap has been determined as such in accordance with best market practice and using observable market data.

The derivative instrument becomes favourable (asset) or unfavourable (liability) as a result of fluctuations in market interest rates relative to the terms agreed with the counter party. At 31 December 2011, the fair value of this instrument is favourable to the Group. However, the fair value could fluctuate significantly from time to time and may result in further losses or gains in the future periods.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty

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

4.2.1 Impairment of trade receivables

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. This determination of whether these trade receivables are impaired, entails the Group evaluating, the credit and liquidity position of the customers, historical recovery rates and collateral requirements from certain customers in certain circumstances. The difference between the estimated collectible amount and the book amount is recognised as an expense in the profit or loss. Any difference between the amounts actually collected in the future periods and the amounts expected will be recognised in the profit or loss at the time of collection.

4.2.2 Property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

5. Property and equipment

	Offshore accommodation Units	Offshore accommodation units upgrade	Offshore accommodation units equipment	Furniture, fixtures and office equipment	Motor vehicles	Capital work-in-progress	Total
	USD	USD	USD	USD	USD	USD	USD
Cost							
At 31 December 2009	160,382,921	5,377,965	6,709,526	1,194,766	69,590	2,268,666	176,003,434
Additions	2,789,552	6,577,423	5,039,225	441,027	63,836	1,034,000	15,945,063
Transfers	-	2,268,666	-	-	-	(2,268,666)	-
At 31 December 2010	163,172,473	14,224,054	11,748,751	1,635,793	133,426	1,034,000	191,948,497
Additions	1,214,534	1,946,167	60,988	115,946	90,822	84,677,480	88,105,937
Transfers	-	-	2,458,707	-	-	(2,458,707)	-
Disposals	-	-	-	-	(69,590)	-	(69,590)
At 31 December 2011	**164,387,007**	**16,170,221**	**14,268,446**	**1,751,739**	**154,658**	**83,252,773**	**279,984,844**
Accumulated depreciation							
At 31 December 2009	17,728,108	1,325,493	1,427,671	684,307	47,475	-	21,213,054
Charge for the year	7,612,933	1,851,917	2,641,905	357,147	42,259	-	12,506,161
At 31 December 2010	25,341,041	3,177,410	4,069,576	1,041,454	89,734	-	33,719,215
Charge for the year	7,958,101	2,537,706	3,281,176	293,376	59,434	-	14,129,793
Eliminated on disposals	-	-	-	-	(69,590)	-	(69,590)
At 31 December 2011	**33,299,142**	**5,715,116**	**7,350,752**	**1,334,830**	**79,578**	**-**	**47,779,418**
Carrying amount							
At 31 December 2011	**131,087,865**	**10,455,105**	**6,917,694**	**416,909**	**75,080**	**83,252,773**	**232,205,426**
At 31 December 2010	137,831,432	11,046,644	7,679,175	594,339	43,692	1,034,000	158,229,282

Offshore accommodation units are mortgaged to a bank and insurance policy covering them are assigned to a bank against facilities granted to the Group (see note 13).

Capital work in progress includes purchase cost and all other directly attributable cost incurred for an offshore accommodation unit, which at the reporting date was not ready for intended use.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

6. Inventories

	2011 USD	2010 USD
Spares, consumables and supplies	**1,279,085**	550,879

7. Related party transactions

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

At the reporting date, amount due from/to related parties were as follows:

	2011 USD	2010 USD
Due from a related party		
MMEER Inc.	**133,633**	-
Due to related parties		
MMEER Inc.	**-**	388,836
Millennium Offshore Services L.L.C. (Parent Company)	**3,498,446**	394,204
	3,498,446	783,040

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given.

During the year, the Group entered into the following transactions with related parties:

	2011 USD	2010 USD
Other income	**446,862**	1,565,969
Interest charged by the Parent Company (capitalised with the cost of accommodation facility)	**3,146,301**	-

Transactions with related parties were carried out on terms agreed with the management.

Compensation of directors/key management personnel:

	2011 USD	2010 USD
Directors' remuneration	**1,155,258**	1,369,898

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

8. Trade and other receivables

	2011	2010
	USD	USD
Trade receivables	**15,795,624**	8,036,639
Retention receivables	**-**	595,939
Prepaid expenses	**1,081,691**	1,507,292
Other receivables	**259,091**	121,699
	17,136,406	10,261,569

The average credit period ranges between 30-60 days. Trade receivables more than 90 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience in addition to specific provision made on identified customers.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Of the trade receivable balance at the end of year, USD 10,894,908 (2010: USD 4,090,260) is due from the Group's largest customer.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period. These amounts pertains to amounts withheld by a customer pending receipt of tax clearance certificate from the Group. Management is in the process of obtaining the clearance and accordingly no allowance is provided against the above over due balance.

The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Ageing of past due but not impaired:

	2011	2010
	USD	USD
91 days and above	**696,688**	696,688

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

9. Bank balances and cash

	2011 USD	2010 USD
Cash on hand	**14,000**	16
Bank balances:		
Current accounts	**3,205,924**	1,648,859
Fixed deposits	**1,416,942**	1,096,108
Bank balances and cash	**4,636,866**	2,744,983
Short term deposits under lien with original maturities greater than three months	**(1,416,942)**	(950,000)
Cash and cash equivalents	**3,219,924**	1,794,983

10. Capital contribution

As per 'Limited Liability Agreement' dated 12 June 2007, the Company was registered and is wholly owned by Millenium Offshore Services L.L.C. (MOS). MOS shall be liable for all the funding requirements of the Company and based on underlying Capital contribution agreement, MOS has funded USD 66,705,765 during the year ended 31 December 2008 and an additional contibution of USD 30,000,000 was made in year 2011. The capital contribution has been authorized and approved by shareholders of MOS and the Company. The Capital contributions from MOS are being treated as Equity Instruments whereby MOS will have residual interest in the assets of the company after deducting all its liabilities.

11. Provision for employees' end of service indemnity

Movements in the net liability were as follows:

	2011 USD	2010 USD
Balance at the beginning of the year	**269,019**	193,362
Provision for the year	**114,086**	119,412
Amount paid	**(125,104)**	(43,755)
Balance at the end of the year	**258,001**	269,019

12. Other financial liabilities

	2011 USD	2010 USD
Contingent consideration payable	**17,500,000**	-
Less: Amount due for settlement after 12 months (shown under non-current liabilities)	**(11,600,000)**	-
Amount due for settlement within 12 months (shown under current liabilities)	**5,900,000**	-

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

12. Other financial liabilities (continued)

During the year, Group has acquired an offshore accommodation unit ('unit') and as part of purchase agreement the Group has to pay USD 17,500,000 which is contingent upon the net profit earned by unit as defined in the purchase agreement. Based on the cash-flow forecasts prepared by the Group, the Group has considered the maximum amount of USD 17,500,000 to be paid under the purchase agreement and determined USD 5,900,000 as being payable within one year.

13. Bank borrowings

	2011 USD	2010 USD
Overdraft	**310,040**	384,900
Term loans	**43,471,200**	57,471,300
	43,781,240	57,856,200
The bank borrowings are repayable as follows:		
On demand or within one year	**17,475,540**	15,967,700
In the second year	**26,305,700**	15,582,800
In the third to fifth year inclusive	**-**	26,305,700
	43,781,240	57,856,200
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(17,475,540)**	(15,967,700)
	26,305,700	41,888,500

The principal terms of the Group's borrowings are as follows:

(i) Bank overdraft is repayable on demand

(ii) The Group has two six year term loans;

(a) loan of USD 63,300,000 obtained in June 2007, repayable in quarterly instalments of USD 2,313,000 each commencing from 28 December 2007. The outstanding balance as of 31 December 2011 is USD 23,979,000 (2010: USD 33,231,000).

(b) loan of USD 41,650,000 obtained in October 2007, repayable in quarterly installments of USD 1,582,700 each commencing from 10 April 2008. The outstanding balance as of 31 December 2011 is USD 19,492,200 (2010: USD 24,240,300).

At 31 December 2011, bank facilities are secured by mortgage over offshore accommodation units along with assignment of their insurance policies and corporate guarantee of the holding Company.

The bank's facilities are subject to certain financial covenants including the maintenance of certain financial ratios.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

14. Derivative financial instrument

	2011	2010
	USD	USD
Interest rate swap	**1,158,056**	2,275,750

The Group uses interest rate swap to manage its exposure to interest rate movements on its bank borrowings by entering into interest rate swap to convert a proportion of those borrowings from floating rates to fixed rates liabilities.

At 31 December 2011 the unrealised gain on changes in fair value of swap is USD 1,117,694 (2010: USD 621,529) which has been taken to the statement of comprehensive income for the year ended 31 December 2011.

15. Trade and other payables

	2011	2010
	USD	USD
Trade payables	**13,591,605**	1,398,932
Accruals and other payables	**26,504,705**	1,550,880
Provision for income tax	**1,476,784**	657,932
	41,573,094	3,607,744

16. Revenue

	2011	2010
	USD	USD
Rental of offshore accommodation units	**47,908,800**	40,358,784
Service income	**11,030,588**	7,509,954
	58,939,388	47,868,738

Revenue has been generated from 6 customers (2010: 6 customers).

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

17. Direct costs

	2011 USD	2010 USD
Staff costs	**7,002,039**	6,391,824
Sub-contract charges	**4,297,670**	2,913,157
Depreciation of property and equipment	**13,717,855**	12,023,099
Other direct expense	**16,386,083**	10,649,458
	41,403,647	31,977,538

18. General and administrative expenses

	2011 USD	2010 USD
Staff costs	**2,565,465**	2,760,030
Legal and professional fees	**123,283**	200,072
Depreciation of property and equipment	**411,938**	483,062
Rent	**606,210**	525,170
Traveling expenses	**385,315**	418,132
Other direct expense	**661,709**	558,302
	4,753,920	4,944,768

19. Dividends

During the year cash dividend amounting to Nil (2010: USD 10,000,000) was paid to the Shareholders.

20. Contingent liabilities

	2011 USD	2010 USD
Letters of guarantee	**1,416,942**	950,000

The above letters of guarantee have been issued by the agent of the Group on behalf of the Group.

21. Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of bank balances and cash, bank borrowings and equity comprising capital contribution and retained earnings.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

21. Capital risk management (continued)

21.1 Gearing of debt/equity

The Group's management reviews the capital structure on regular basis. As part of this review, the management considers the cost of capital and the risks associated with capital.

The gearing ratio at the year end was as follows:

	2011	2010
	USD	USD
Debt (i)	**43,781,240**	57,856,200
Bank balances and cash	**(4,636,866)**	(2,744,983)
Net debt	**39,144,374**	55,111,217
Equity (ii)	**147,622,579**	106,994,960
Debt/Equity (times)	**0.27**	0.52

(i) Debt is defined as bank borrowings (Note 13).
(ii) Equity comprises capital contribution and retained earnings.

22. Financial instruments

22.1 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the consolidated financial statements.

22.2 Categories of financial instruments

	2011	2010
	USD	USD
Financial assets		
Loans and receivables (including bank balances and cash)	**20,825,214**	11,499,260
Financial liabilities		
At amortised cost	**106,034,052**	63,864,802

The management considers that the carrying amounts of the financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

22. Financial instruments (continued)

22.3 Financial risk management objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

22.3.1 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis.

22.3.2 Foreign currency rate management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise.

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

		Liabilities		**Assets**
	2011	2010	**2011**	2010
	USD	USD	**USD**	USD
UAE Dirhams	**4,227,272**	418,490	**-**	-
Euro	**13,256**	10,264	**-**	-
Egyptian Pound	**1,117,298**	-	**-**	-
Qatari Riyals	**10,166**	59,265	**-**	228,736
Others	**163,922**	1,635	**-**	-

22.3.3 Foreign currency sensitivity analysis

The Group is mainly exposed to United Arab Emirates Dirhams (UAE), Egyptian Pound, Qatari Riyal and Euro. Based on the sensitivity analysis to a 10% increase or decrease in the USD against Egyptian Pound and Euro, the Group's profit for the year ended 31 December 2011 and equity as of 31 December 2011 would not be impacted significantly. There is no impact on UAE Dirhams and Qatari Riyals because of a dollar peg to these currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

22. Financial instruments (continued)

22.3 Financial risk management objectives (continued)

22.3.4 Interest rate risk management

The Group's exposure to interest rate risk relates to borrowings from banks.

The interest rates on bank borrowings are linked to LIBOR plus applicable margin.

If interest rate had been 100 basis points higher/lower and all the other variables held constant, the Group's profit for the year ended 31 December 2011 and equity as of that date would have been decreased/increased by USD 437,812 (2010: USD 578,562).

The sensitivity analysis above has been determined based on the interest rate risk exposure on the Group's net assets and on its profits for the reporting period.

22.4 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by making binding legal agreements with the counter parties and is monitored by the Management.

At the reporting date, the amounts receivable from 4 (2010: 2) customers representing 100% of the outstanding trade receivables are exposed to credit risk.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

22.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below includes the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the end of 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 end of reporting date based on contractual repayment arrangements was as follows:

Notes to the consolidated financial statements
For the year ended 31 December 2011 (continued)

22. Financial instruments (continued)

22.5 Liquidity risk management (continued)

	Within 1 year USD	1 year to 2 years USD	2 years to 5 years USD	Total USD
31 December 2011				
Financial assets				
Bank balances and cash	**4,636,866**	-	-	**4,636,866**
Due from a related party	**133,633**	-	-	**133,633**
Trade and other receivables	**16,054,715**	-	-	**16,054,715**
	20,825,214	-	-	**20,825,214**
Financial liabilities				
Bank borrowings	**17,475,540**	**26,305,700**	**-**	**43,781,240**
Due to a related party	**3,498,446**	-	-	**3,498,446**
Trade and other payables	**40,096,310**	-	-	**40,096,310**
Other financial liabilities	**5,900,000**	**5,800,000**	**5,800,000**	**17,500,000**
Derivative financial instrument	-	-	**1,158,056**	**1,158,056**
	66,970,296	**32,105,700**	**6,958,056**	**106,034,052**
31 December 2010				
Financial assets				
Bank balances and cash	2,744,983	-	-	2,744,983
Trade and other receivables	8,754,277	-	-	8,754,277
	11,499,260	-	-	11,499,260
Financial liabilities				
Bank borrowings	15,967,700	15,582,800	26,305,700	57,856,200
Due to related parties	783,040	-	-	783,040
Trade and other payables	2,949,812	-	-	2,949,812
Derivative financial instrument	-	-	2,275,750	2,275,750
	19,700,552	15,582,800	28,581,450	63,864,802

Derivative financial instrument falls under level 2 category and is valued based on market observable data.

23. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 16 December 2012.