

Co. Reg. No. 200901920D



Infraco Asia Development Pte. Ltd.

Annual Financial Statements
31 December 2010

Infraco Asia Development Pte. Ltd.

General Information

Directors

Keith Palmer
Peter Bird
Rodney Sims
Surender Singh (appointed on 12 May 2010)
Tantra Thakur (appointed on 11 November 2010)
Vijay Sethu (appointed on 11 November 2010)
Matthew Bartley (appointed on 31 January 2011)
Roger Witcomb (resigned on 1 February 2011)

Company Secretary

Madelyn Kwang Yeit Lam

Registered Office

10 Collyer Quay
#10-01 Ocean Financial Centre
Singapore 049315

Auditors

Ernst & Young LLP

Banker

Hongkong and Shanghai Banking Corporation

Index

	Page
Directors' Report	1
Statement by Directors	3
Independent Auditors' Report	4
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Financial Statements	10

Infraco Asia Development Pte. Ltd.

Directors' Report

The directors are pleased to present their report to the members together with the audited financial statements of Infraco Asia Development Pte. Ltd. (the "Company") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2010.

Directors

The Directors of the Company in office at the date of this report are:

Keith Palmer
Peter Bird
Rodney Sims
Surender Singh
Tantra Thakur
Vijay Sethu
Matthew Bartley

Arrangements to enable Directors to acquire shares and debentures

Except as described in the subsequent paragraph, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No director holding office at the end of the financial year had any interest in any shares of the Company or its related corporations at the beginning and end of the financial year as recorded in the register of director's shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Surender Singh is the sole shareholder of the parent company of, and a director of Infraco Asia Management Pte Ltd which entered into an agreement on 15 March 2010 to provide management services to the Company and such agreement is currently valid and in force.

Infraco Asia Development Pte. Ltd.

Directors' Report

Share options

There were no options granted by the Company during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors:



Rodney Sims
Director



Surender Singh
Director

Singapore
31 March 2011

Infraco Asia Development Pte. Ltd.

Statement by Directors

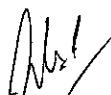
We, Rodney Sims and Surender Singh, being two of the directors of Infraco Asia Development Pte. Ltd., do hereby state that, in the opinion of the directors,

- (a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and the results of the business, change in equity and cash flows of the Company and the changes in equity of the Company for the year ended on that date, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:



Rodney Sims
Director



Surender Singh
Director

Singapore
31 March 2011

Infraco Asia Development Pte. Ltd.

**Independent Auditors' Report
For the financial year ended 31 December 2010**

To the Members of Infraco Asia Development Pte. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Infraco Asia Development Pte. Ltd. (the "Company") set out on pages 6 to 29, which comprise the balance sheets of the Company as at 31 December 2010, the statement of changes in equity of the Company and the statement of comprehensive income and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

The financial statements for the year ended 31 December 2009 were audited by other auditors whose report dated 28 April 2010 expressed an unqualified opinion on these financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore 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 of the financial statements that give a true and fair view 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.

Infraco Asia Development Pte. Ltd.

**Independent Auditors' Report
For the financial year ended 31 December 2010**

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

31 March 2011

Infraco Asia Development Pte. Ltd.

Statement of Comprehensive Income for the financial year ended 31 December 2010

	Note	1.1.2010 to 31.12.2010 £	3.2.2009 to 31.12.2009 £
Revenue		–	–
Other income	4	99,915	289,441
Operating expenses		(1,048,726)	(99,482)
Administrative expenses		(729,538)	(1,229,053)
Other expenses	5	–	(285,346)
Loss before tax	6	(1,678,349)	(1,324,440)
Income tax	8	–	–
Loss for the year		(1,678,349)	(1,324,440)
Other comprehensive income		–	–
Total comprehensive loss for the year attributable to equity holder of the Company		(1,678,349)	(1,324,440)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Infraco Asia Development Pte. Ltd.

Balance Sheet as at 31 December 2010

	Note	2010 £	2009 £
ASSETS			
Non-current assets			
Plant and equipment	9	1,081	1,626
Current assets			
Amount due from a related party	12	1,406,529	–
Other receivables	10	79,414	4,811
Prepayments		7,825	–
Cash and cash equivalents	11	646,118	339,890
		2,139,886	344,701
Total assets		2,140,967	346,327
EQUITY AND LIABILITIES			
Current liabilities			
Amounts due to a related party	12	682,721	–
Amounts due to directors	13	19,253	80,635
Amounts due to immediate shareholders	14	–	1,526,087
Trade and other payables	15	59,601	64,044
		761,575	1,670,766
Total liabilities		761,575	1,670,766
Equity attributable to equity holder			
Share capital	16	4,382,181	1
Accumulated losses		(3,002,789)	(1,324,440)
		1,379,392	(1,324,439)
Total equity		1,379,392	(1,324,439)
Total equity and liabilities		2,140,967	346,327

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Infraco Asia Development Pte. Ltd.

Statement of Changes in Equity for the financial year ended 31 December 2010

	Share capital (Note 16) £	Accumulated losses £	Total £
At 1 January 2010	1	(1,324,440)	(1,324,439)
Issuance of shares	4,382,180	–	4,382,180
Loss representing total comprehensive loss for the year	–	(1,678,349)	(1,678,349)
At 31 December 2010	<u>4,382,181</u>	<u>(3,002,789)</u>	<u>1,379,392</u>
At 3 February 2009 (date of incorporation)	–	–	–
Issuance of shares	1	–	1
Loss representing total comprehensive loss for the period	–	(1,324,440)	(1,324,440)
At 31 December 2009	<u>1</u>	<u>(1,324,440)</u>	<u>(1,324,439)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Infraco Asia Development Pte. Ltd.

Statement of Cash Flows for the financial year ended 31 December 2010

	1.1.2010 to 31.12.2010 £	3.2.2009 to 31.12.2009 £
Cash flows from operating activities		
Loss before tax	(1,678,349)	(1,324,440)
Adjustments for:		
Depreciation of equipment	545	555
Interest income	–	(288,917)
Other expenses	–	285,346
Operating cash flows before changes in working capital	(1,677,804)	(1,327,456)
Changes in working capital:		
Other receivables	(82,428)	(4,811)
Amounts due from related party	(1,406,529)	–
Trade and other payables	(4,443)	64,044
Amounts due to immediate shareholders	(1,526,087)	1,526,087
Amounts due to related party	682,721	–
Amounts due to directors	(61,382)	80,635
Cash flows from operation	(4,075,952)	338,499
Interest paid	–	(285,346)
Interest received	–	288,917
Net cash flows (used in)/generated from operating activities	(4,075,952)	342,070
Investing activity		
Purchase of equipment	–	(2,181)
Net cash flows used in investing activity	–	(2,181)
Financing activity		
Issuance of share capital	4,382,180	1
Net cash flows generated from financing activity	4,382,180	1
Net increase in cash and cash equivalents	306,228	339,890
Cash and cash equivalents at beginning of the year	339,890	–
Cash and cash equivalents at end of the year (Note 11)	646,118	339,890

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Infraco Asia Development Pte. Ltd. (the "Company") is a company incorporated in Singapore with its registered office and principal place of business at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 and 10 Shenton Way, #15-03 MAS Building, Singapore 079117 respectively.

The principal activity of the Company is that of an infrastructure project development company.

The Company's immediate shareholders are SG Hambros Trust Company Ltd, Multiconsult Trustees Ltd and Minimax Ltd as trustees of the Private Infrastructure Development Group Trust, a trust established under the laws of Mauritius.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company and the balance sheets and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in British Pound ("GBP" or "£") which is the Company's functional currency.

2.2 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
INT FRS 119 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2010
Revised FRS 24 <i>Related Party Disclosures</i>	1 January 2011
Amendments to INT FRS 114 <i>Prepayments of a Minimum Funding Requirement</i>	1 January 2011
INT FRS 115 <i>Agreements for the Construction of Real Estate</i>	1 January 2011
Amendments to FRS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i>	1 January 2011

2. Summary of significant accounting policies (cont'd)

2.2 Standards issued but not yet effective (cont'd)

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Improvements to FRSs issued in 2010:	
- Amendments to FRS 103 <i>Business Combinations</i>	1 July 2010
- Transition requirements for amendments arising as a result of FRS 27 <i>Consolidated and Separate Financial Statements</i>	1 July 2010
- Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 July 2010
- Amendments to FRS 1 <i>Presentation of Financial Statements</i>	1 July 2010
- Amendments to INT FRS 113 <i>Customer Loyalty Programmes</i>	1 July 2010

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Company is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Company when implemented in 2011.

2.3 **Foreign currency**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.4 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Computer and software - 4 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies (cont'd)

2.5 *Impairment of non-financial assets (cont'd)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 *Financial assets*

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.6 *Financial assets (cont'd)*

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.7 *Impairment of financial assets*

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

2. Summary of significant accounting policies (cont'd)

2.7 *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.8 *Cash and cash equivalents*

Cash and cash equivalents comprises cash at bank.

2.9 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10 *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

Financial liabilities include other payables and payables to related parties. After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.10 Financial liabilities (cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

2.12 Leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

2.14 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income taxes are recognised in profit or loss to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (cont'd)

2.14 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.15 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 Related parties

A party is considered to be related to the Company if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Company;
 - (ii) has an interest in the Company that gives it significant influence over the Company; or
 - (iii) has joint control over the Company;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Company or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d); or
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

3. Significant accounting judgements and estimates (cont'd)

Judgements made in applying accounting policies (cont'd)

- **Impairment of receivables**

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and the allowance for impairment in the financial year.

Key sources of estimation uncertainty

The management is of the opinion that there are no key sources of estimation that are uncertain at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Other income

	1.1.2010 to 31.12.2010 £	3.2.2009 to 31.12.2009 £
Interest income (Note 5)	–	288,917
Others	718	524
Grant received	99,197	–
	<u>99,915</u>	<u>289,441</u>

Grants received from immediate shareholders are for reimbursement of some expenses incurred for various projects.

Government grant relating to expenses are shown separately as other income.

5. Other expenses

This relates to the amount paid to immediate shareholders in relation with the interest income received from the banks on behalf of the immediate shareholders in accordance with the Deed of Repayment dated 15 December 2009 between the parties.

Infraco Asia Development Pte. Ltd.

Notes to the Financial Statements – 31 December 2010

6. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

	2010	3.2.2009 to 31.12.2009
	£	£
Foreign exchange loss/(gain)-realised	18,669	(241)
Foreign exchange loss-unrealised	4,110	–
Interest income	–	(288,917)
Staff cost (including directors' fees) (Note 7)	218,417	179,093
	<u>218,417</u>	<u>179,093</u>

7. Staff costs

	2010	3.2.2009 to 31.12.2009
	£	£
Staff salaries	117,461	81,125
CPF contribution	5,300	2,740
Directors' fees	95,656	95,228
	<u>218,417</u>	<u>179,093</u>

Key management personnel consist of directors of the Company and their compensation are as disclosed in directors' fees.

8. Income tax

The tax expense on the results for the financial year differs from the amount of income tax determined by applying the Singapore standard rate of income tax to loss before taxation due to the following factors:

	1.1.2010 to 31.12.2010	3.2.2009 to 31.12.2009
	£	£
Loss before taxation	(1,678,349)	(1,324,440)
Tax at applicable tax rate of 17%	(285,319)	(225,155)
Non-deductible expense	285,319	225,155
Tax benefit	–	–
	<u>–</u>	<u>–</u>

Infraco Asia Development Pte. Ltd.

Notes to the Financial Statements – 31 December 2010

9. Plant and equipment		Computer and software £
	Cost	
	As at 3 February 2009 (date of incorporation)	–
	Additions	2,181
		2,181
	As at 31 December 2009	2,181
	Additions	–
		2,181
	As at 31 December 2010	2,181
		2,181
	Accumulated depreciation	
	As at 3 February 2009 (date of incorporation)	–
	Charge for the year	555
		555
	As at 31 December 2009	555
	Charge for the year	545
		555
	As at 31 December 2010	1,100
		1,100
	Net book value	
	As at 31 December 2010	1,081
		1,081
	As at 31 December 2009	1,626
		1,626
10. Other receivables		
		2010
		£
		2009
		£
	Deposits	–
	VAT and GST receivable	79,414
		79,414
	Total other receivables	4,811
		4,811

Receivables that are denominated in foreign currencies at 31 December are as follows:

	2010	2009
	£	£
British pound	11,580	–
Singapore dollar	67,834	885
	67,834	885

11. Cash and cash equivalents

	2010	2009
	£	£
Cash on hand	3,315	330,695
Cash in bank	642,803	9,195
	<u>646,118</u>	<u>339,890</u>

Cash and cash equivalents are denominated in foreign currencies at 31 December are as follows:

	2010	2009
	£	£
British Pound	423,374	330,695
Singapore dollar	73,872	9,195
United States dollar	148,872	-
	<u>646,118</u>	<u>339,890</u>

12. Amounts due from/to related party

The amounts owing from/to related party is non-trade in nature, unsecured, interest-free, repayable on demand and denominated in United States Dollar.

13. Amounts due to directors

The amounts owing to directors is non-trade in nature, unsecured, interest-free, repayable on demand and denominated in British Pound.

14. Amounts due to immediate shareholders

The amounts owing to immediate shareholders is non-trade in nature, unsecured, interest-free, repayable on demand and denominated in British Pound.

Infraco Asia Development Pte. Ltd.

Notes to the Financial Statements – 31 December 2010

15. Trade and other payables

	2010	2009
	£	£
Trade payables	–	2,693
Accruals	59,601	61,351
	<u>59,601</u>	<u>64,044</u>

Payables that are denominated in foreign currencies at 31 December are as follows:

British Pound	38,803	50,157
Singapore dollar	20,798	13,887
	<u>59,601</u>	<u>64,044</u>

16. Share capital

	No. of shares		2010	2009
	2010	2009		
Ordinary share at beginning of year	1	–	1	–
Issuance during the year	4,382,180	1	4,382,180	1
At end of year	<u>4,382,181</u>	<u>1</u>	<u>4,382,181</u>	<u>1</u>

During the year, the Company issued to its immediate shareholders 1,482,180 shares to offset against its amount due to immediate shareholders and additional shares of 2,900,000 for cash.

17. Related party transactions

Sales and purchases of goods and services

Significant related parties transactions during the year on terms agreed between the parties are as follows:

	1.1.2010 to 31.12.2010 £	3.2.2009 to 31.12.2009 £
Preliminary expenses paid on behalf by immediate shareholders	–	1,482,181
Payments made by and reimbursed to a related party	1,012,093	–
Fees paid to directors or firms in which a director of the Company is a director or officer of those firms	95,656	95,228
Other expenses	–	285,346
Grant received as reimbursement from immediate shareholders	99,915	–
Performance fee paid to a related party	205,300	–
	<u>205,300</u>	<u>–</u>

18. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Other receivables (Note 10), trade and other payables (Note 15), cash and cash equivalents (Note 11)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

18. Fair value of financial instruments (cont'd)

Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements:

31 December 2010	Loans and receivables £	Liabilities at amortised cost £	Total £
Assets			
Amounts due from a related party	1,406,529	–	1,406,529
Cash and bank balances	646,118	–	646,118
	<u>2,052,647</u>	<u>–</u>	<u>2,052,647</u>
Liabilities			
Amounts due to a related party	–	682,721	682,721
Amounts due to directors	–	19,253	19,253
	<u>–</u>	<u>701,974</u>	<u>701,974</u>
31 December 2009			
Assets			
Cash and bank balances	339,890	–	339,890
Liabilities			
Amounts due to immediate shareholders	–	1,526,087	1,526,087
Amounts due to directors	–	80,635	80,635
	<u>–</u>	<u>1,606,722</u>	<u>1,606,722</u>

19. Financial risk management policies and objectives

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

At the balance sheet date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Credit risk concentration profile

At balance sheet, there were no significant concentrations of credit risk.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuation in cash flows.

19. Financial risk management policies and objectives (cont'd)

Liquidity risk (cont'd)

Analysis of financial instrument by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	Less than 1 year £
2010	
Amounts due from a related party	1,406,529
Cash and bank balances	646,118
Amounts due to a related party	(682,721)
Amounts due to directors	(19,253)
	<u>1,350,673</u>
2009	
Cash and bank balances	339,890
Amounts due to immediate shareholders	(1,526,087)
Amounts due to directors	(80,635)
	<u>(1,266,832)</u>

Adequate financial support from the Company's shareholders has been obtained to enable the Company to continue its operations and discharge its obligations as and when they fall due. As a result, management does not foresee the Company is exposed to any significant liquidity risk.

Foreign currency risk

The Company has transactional currency exposure arising from trade and other receivables and trade and other payables that are denominated in a currency other than the functional currency of the Company. The foreign currency in which these transactions are denominated is mainly United States Dollars (USD) and Singapore Dollars (SGD).

19. Financial risk management policies and objectives (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the USD and SGD exchange rate against the functional currency of the Company, with all other variables held constant:

	Profit net of tax	
	2010	2009
	£	£
GBP/USD		
- strengthened 2%	16,450	–
- weakened 2%	(16,450)	–
GBP/SGD		
- strengthened 1%	1,287	38
- weakened 1%	(1,287)	(38)

20. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company's capital requirement is met via funding from its shareholders for which new shares are issued. No changes were made in the objectives, policies or processes during the period ended 31 December 2010.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debts, trade and other payables less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

Infraco Asia Development Pte. Ltd.

Notes to the Financial Statements – 31 December 2010

20. Capital management (cont'd)

	2010	2009
	£	£
Amounts due to a related party (Note 12)	682,721	–
Amounts due to director (Note 14)	19,253	80,635
Trade and other payables (Note 15)	59,601	64,044
Less: Cash and cash equivalents (Note 11)	(646,118)	(339,890)
<i>Net debt/(asset)</i>	<u>115,457</u>	<u>(195,211)</u>
Equity attributable to the owner of the Company	1,380,993	(1,324,439)
Capital and net debt	<u>1,496,450</u>	<u>(1,519,650)</u>
Gearing ratio	<u>8%</u>	<u>N.M.</u>

N.M. – Not meaningful

21. Comparative figures

The financial statements for the year ended 31 December 2009 were audited by other auditors whose report dated 28 April 2010 expressed an unqualified opinion on these financial statements.

The comparative figures relate to the period 3 February 2009 (date of incorporation) to 31 December 2009 or a period of 11 months, hence are not comparable to that of the current financial year.

22. Subsequent event

On 15 February 2011, the Company entered into a joint development agreement with Himal Hydro and General Construction Limited and Super Madi Hydropower Limited which sets out the mutual understanding and basis of cooperation by the parties for the joint development of a hydropower project with an estimated installed capacity of 44 MW located in Nepal.

23. Authorisation of financial statements for issue

The financial statements for the financial period ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 31 March 2011.