

Company Registration No 05171663 (England and Wales)

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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OCEAN PARTNERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Dimitrije Aksentijevic Jeff Beck Walter Cimowsky Alan Paterson Siva Pillay Paul Smith Ad van Halder
Secretary	Siva Pillay
Company number	05171663
Registered office	30-36 King Street Maidenhead Berkshire SL6 1EF
Auditors	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Solicitors	Denton Wilde Sapte Solicitors One Fleet Place London EC4M 7WS

OCEAN PARTNERS HOLDINGS LIMITED

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OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

The directors present their annual report with the audited financial statements of the company and the group for the year ended 30 September 2009

Principal activities and review of the business

The Ocean Partners group of companies entered its fifth period of trading with a sound balance sheet and a satisfactory core group of customers and suppliers. The parent company's business is to co-ordinate the trading and investment activities of the companies in the Ocean Partners group which act, in the main, as principals in the trading of metal ores, concentrates and refined metal, primarily copper, lead and zinc.

The price of metals has decreased in the year under review, and this is reflected, in the main, by the fall in turnover with volumes broadly similar to the previous period.

The group's physical trading covers copper concentrates, lead and zinc ores together with other non-ferrous metals. The operation is split between the United Kingdom and USA, with the US office additionally providing a large element of administrative support. The group's strong sourcing capacity was able to satisfy good demand across the full range of metals.

Principal risks and uncertainties

Financial instruments of significance to Ocean Partners Holdings Limited comprise primary financial instruments (mainly cash, borrowings, debtors and creditors) and derivative financial instruments (mainly London Metal Exchange (LME) contracts and foreign exchange contracts).

The main financial risks to which the group is exposed are market risk, counterparty risk and liquidity risk.

Market risk is the risk that movements in metal prices or foreign exchange rates will cause fluctuations in the values of, or cash flows arising from, financial assets and liabilities, and from other contracts for the future delivery of metal. Exposures to metal price movements and foreign exchange rate fluctuations are restricted by the imposition of trading position limits by the Ocean Partners board, and by the use of LME contracts and foreign exchange contracts.

Counterparty risk is the risk that a customer or supplier will fail to fulfil their contractual obligations. Exposure to counterparty risk is reduced by use of credit control policies, which are approved centrally, including the use of credit limits, volume of business limits and the margining of customers, which are used to mitigate the risk of loss.

The risk that adequate funding is not available to the company to meet its commitments associated with financial instruments is liquidity risk. The Ocean Partners group plans its future business in conjunction with its borrowing facilities to avoid liquidity problems, and maintains relationships with lenders to ensure facility levels, including facilities for the derivatives noted above. These are adequate and can be adjusted to address any changes in the Ocean Partners group's requirements.

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT - (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Key financial highlights

The key financial highlights are as follows

	2009 US\$'000	2008 US\$'000
Gross profit (Page 6)	29,033	31,224
Staff costs (Page 21)	9,872	8,534
Profit for the year after tax (Page 6)	8,526	7,852
Average number of staff (Page 21)	93	45

Results and dividends

The group made a profit for the year after tax and minority interests of US\$8 526m (2008 - US\$7 852m)

During the year an interim dividend of US\$5,500 per ordinary share was paid (2008 – US\$5,500 per ordinary share) The directors do not recommend payment of a final dividend (2008 - \$Nil)

Outlook for the year ahead

In the current market circumstances, it is unlikely that trading volumes can be maintained at the level of previous years. Equally, it is unlikely that profitability can be maintained at the extraordinary levels achieved over the past few years. However, the company has a sound financial position and is therefore well placed to survive the current turmoil which may well bring new opportunities as other companies struggle.

Charitable contributions

It is the group's policy to allocate a proportion of its profits each year to charitable organisations. Staff contribute to the decision-making process, and donations are paid during the year following that allocation. During the year ended 30 September 2009, the group made charitable contributions totalling US\$150,661 (2008 US\$540,689) of which US\$50,610 (2008 US\$431,272) was paid to UK charitable organisations.

The charitable donations paid in the year were given for the following purposes -

Social Welfare and Development	US\$73,321
Education	US\$26,000
Health & Medicine	US\$51,340
	US\$150,661

Directors

The following directors have held office since 1 October 2008

Dimitrije Aksentijevic
Jeff Beck (Chairman)
Walter Cimowsky
Alan Paterson
Siva Pillay
Paul Smith
Ad van Halder

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT – (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Auditors

The auditors, Citroen Wells, are deemed to be re-appointed under section 487 (2) of the Companies Act 2006

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Policies (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

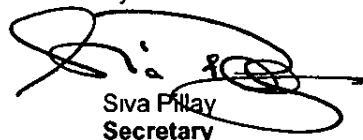
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



Siva Pillay
Secretary

25.01.2010

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEAN PARTNERS HOLDINGS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2009

We have audited the Group and Parent Company financial statements (the "financial statements") of Ocean Partners Holdings Limited for the year ended 30 September 2009, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and related notes set out on pages 6 - 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions, we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2009 and of the profit of the group for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEAN PARTNERS HOLDINGS LIMITED

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we required for our audit



**Jonathan Prevezer FCA (Senior Statutory Auditor)
for and on behalf of Citroen Wells**

**Chartered Accountants
Statutory Auditor**

26/1/10

**Chartered Accountants
Devonshire House
1 Devonshire Street
London
W1W 5DR**

OCEAN PARTNERS HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009 US\$'000	2008 US\$'000
Turnover	3	636,584	737,895
Cost of sales		(607,551)	(706,671)
Gross profit		29,033	31,224
Administrative expenses		(15,594)	(17,564)
Operating profit	4	13,439	13,660
Interest receivable and similar income	5	2,310	3,939
Interest payable and similar charges	5	(2,626)	(5,446)
Profit on ordinary activities before taxation		13,123	12,153
Tax on profit on ordinary activities	6	(4,597)	(4,301)
Profit on ordinary activities after taxation for the financial year	16	8,526	7,852
Minority interests	17	-	-
Profit for financial year	16	8,526	7,852

The profit and loss account has been prepared on the basis that all operations are continuing operations
There are no recognised gains and losses other than those passing through the profit and loss account

OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS

AT 30 SEPTEMBER 2009

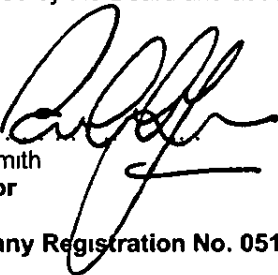
		2009		2008	
		Consolidated	Company	Consolidated	Company
	Notes	US\$'000	US\$'000	US\$'000	US\$'000
Fixed assets					
Tangible assets	7	4,699	-	2,006	-
Investments	8	3,644	120	2,545	120
		<u>8,343</u>	<u>120</u>	<u>4,551</u>	<u>120</u>
Current assets					
Stocks	9	42,780	-	36,295	-
Debtors	10	91,618	4,716	71,881	8,980
Current asset investments	11	149	149	129	129
Cash at bank and in hand		40,343	127	27,148	12
		<u>174,890</u>	<u>4,992</u>	<u>135,453</u>	<u>9,121</u>
Creditors amounts falling due within one year	12	(143,697)	(2,762)	(104,234)	(7,847)
		<u>31,193</u>	<u>2,230</u>	<u>31,219</u>	<u>1,274</u>
Net current assets					
		<u>39,536</u>	<u>2,350</u>	<u>35,770</u>	<u>1,394</u>
Total assets less current liabilities					
		<u>39,536</u>	<u>2,350</u>	<u>35,770</u>	<u>1,394</u>
Capital and reserves					
Called up share capital	15	1	1	1	1
Share premium	16	2,800	2,800	2,714	2,714
Profit and loss account	16	36,731	(451)	33,051	(1,321)
		<u>39,532</u>	<u>2,350</u>	<u>35,766</u>	<u>1,394</u>
Shareholders' funds	16				
		<u>39,532</u>	<u>2,350</u>	<u>35,766</u>	<u>1,394</u>
Minority interests	17	4	-	4	-
		<u>39,536</u>	<u>2,350</u>	<u>35,770</u>	<u>1,394</u>
Total capital employed					
		<u>39,536</u>	<u>2,350</u>	<u>35,770</u>	<u>1,394</u>

OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS

AT 30 SEPTEMBER 2009

Approved by the Board and authorised for issue on *21 JAN* 2010



Paul Smith
Director

Company Registration No. 05171663

OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

AT 30 SEPTEMBER 2009

		2009	2008
	Note	US\$'000	US\$'000
Net cash (outflow)/ inflow from operating activities	21 I)	(15,496)	54,051
Returns on investments and servicing of finance			
Interest received		2,310	3,939
Interest paid		(2,626)	(5,446)
Net cash (outflow)/ inflow from operating activities, return on investments and servicing of finance		(15,812)	52,544
Taxation		(2,320)	(6,852)
Capital expenditure			
Payments to acquire tangible fixed assets		(3,438)	(1,993)
Payments to acquire fixed asset investments		(1,099)	(4)
Receipt from disposal of tangible fixed assets		12	-
Cash (outflow)/inflow before use of liquid resources and financing		(22,657)	43,695
Equity dividends paid		(4,846)	(4,846)
		(27,503)	38,849
Financing			
Issue of ordinary share capital		86	271
(Decrease)/ Increase in cash in the year	21 II)	(27,417)	39,120

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1. Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with the applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which have been applied consistently (except as otherwise stated)

1 3 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiaries for the year ended 30 September 2009

1 4 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes

Turnover is recognised on the passing of risks and rewards of ownership To the extent that weights or assays are not determined at the balance sheet date, provisional amounts are used

Forward matched commitments that are estimated losses are provided for at the balance sheet date Forward matched commitments that are estimated profits are not recorded in the results at the balance sheet date

Profit is recognised on sales if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account, turnover and related costs Where provisional weights and assays have been used, an appropriate retention is made until such amounts are finally determined and agreed

1 5 Tangible fixed assets and depreciation

Tangible fixed assets are written off over their estimated useful lives on a straight line basis Expected useful lives are as follows -

Computer equipment & software	3 - 5 years
Fixtures, fittings & equipment	3 - 5 years
Mineral properties, buildings, land and leasehold improvements	5 -15 years
Motor vehicles	3 years
Construction in progress	Not depreciated
Exploration	Not depreciated

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1. Accounting policies (continued)

1.6 Stock

Stock is stated at the lower of cost and net realisable value where cost includes materials and direct related costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.7 Pensions

The company operates a defined contribution pension plan. The cost to the company is a percentage of the employee's salary and is charged to the profit and loss account as incurred. Differences between contributions payable in the period and contributions actually paid are shown within either accruals or prepayments on the balance sheet.

1.8 Deferred taxation

The profit and loss account charge is calculated at current rates of corporation tax and overseas tax on the taxable profits for the year. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.9 Currency

The financial statements have been prepared in US Dollars instead of sterling as this is the functional currency of the company.

1.10 Foreign currency translation

Transactions denominated in foreign currencies are translated at the rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, except when these items are covered by foreign exchange contracts, when the contracted rate is used. Differences on translation are included in the profit and loss account.

1.11 Prepayments and accrued income

All costs and credits pertaining to shipments where no transfer of title has occurred are held on the balance sheet as part of the prepayments and accrued income balance.

1.12 Financial instruments

Derivative instruments utilised by the Group are forward and future metal contracts for copper, zinc, lead, gold and silver as well as forward and future foreign currency contracts. Such instruments are used for hedging purposes to alter the risk profile of an underlying exposure of the Group in line with the Group's risk management policies. The Group does not hold or issue derivative financial instruments for speculative purposes.

For a forward or future contract to be treated as a hedge the instrument must be related to physical contracts. It must involve the same or similar quantities and time periods as the hedged item and must also reduce the risk of price movements on the Group's operations. Gains and losses arising on these contracts are only recognised in the profit and loss account at the same time as the underlying hedged transaction.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Accounting policies – (continued)

1.12 Financial instruments –(continued)

If an instrument ceases to be accounted for as a hedge, the instrument is marked to market and any resulting profit or loss recognised at that time

1.13 Investments

Investments are stated at cost less provision for diminution in value or impairment, if applicable

1.14 Share-based payments

The difference in value of shares issued at less than market value to employees is recognised as an expense representing the fair value of services received in exchange for these shares

The company recognises the impact of the charge in the profit and loss account with a corresponding adjustment to shareholders' funds (Note 16)

2 Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after corporation tax for the year was US\$ 5,716,123 (2008 US\$ 3,352,926)

3. Turnover and Segment Information

The group is primarily run from two locations – Maidenhead, Berkshire, UK and Wilton, Connecticut, USA. While the underlying business of the two locations is similar, these are managed separately and the following information is therefore provided

			2009		2008
	UK	USA	Adjustments on consolidation & Other locations		
	US\$'000	US\$'000	US\$'000	Total US\$'000	Total US\$'000
Turnover	452,299	181,708	2,577	636,584	737,895
Profit before taxation	7,978	5,602	(457)	13,123	12,153
Net assets	13,906	24,550	1,080	39,536	35,770

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

3. Turnover and Segment Information – (continued)

The geographical analysis of the Group's turnover during the period was as follows -

	2009 US\$'000	2008 US\$'000
Europe	62,746	116,636
North America	28,862	15,916
Asia	535,529	593,862
Africa	3,702	2,054
Other including commissions	5,745	9,427
Total	636,584	737,895

4. Operating profit

Operating profit is stated after charging

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Tax services to the company

Audit services to group companies

Other services to group companies

Depreciation of tangible assets

Loss on foreign exchange transactions

	2009 US\$'000	2008 US\$'000
	37	35
	13	10
	107	65
	-	92
	439	476
	1,387	158

5. Interest receivable and payable

Interest receivable and similar income

Bank and other similar income

Interest payable and similar charges

Bank loans and overdrafts

Letters of credit discounting and similar charges

	2009 US\$'000	2008 US\$'000
	2,310	3,939
	1,984	4,300
	642	1,146
	2,626	5,446

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

6. Taxation

	2009 US\$'000	2008 US\$'000
Current tax		
U K corporation tax	2,574	-
Foreign tax	2,491	5,508
Adjustment for prior years	-	(1,207)
Current tax charge	5,065	4,301
Deferred tax		
Origination and reversal of timing differences	(468)	-
Tax on profit on ordinary activities	4,597	4,301
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	13,123	12,153
Profit on ordinary activities before taxation multiplied by the standard rate of U K corporation tax of 28% (2008 – 29%)	3,675	3,524
Effects of		
Adjustment for prior years	-	(1,207)
Other tax adjustments	344	39
Higher tax rates on overseas earnings	1,046	1,945
	1,390	777
Current tax charge	5,065	4,301

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

7. Tangible fixed assets						
Group	Fixtures, fittings & equipment US\$'000	Mineral properties, buildings, land and leasehold improvements US\$'000	Computer equipment & software US\$'000	Motor vehicles US\$'000	Exploration US\$'000	Construction in progress US\$'000
Cost						Total US\$'000
At 1 October 2008	1,507	534	574	189	-	2,804
Additions	320	359	22	30	2,234	3,438
Disposals	-	-	-	(18)	-	(18)
Exchange rate differences	(196)	(81)	-	(19)	-	(296)
At 30 September 2009	1,631	812	596	182	2,234	5,928
Depreciation						
At 1 October 2008	325	62	339	72	-	798
Charge for the year	209	77	116	37	-	439
Disposals	-	-	-	(6)	-	(6)
Exchange rate differences	(1)	(1)	(2)	2	-	(2)
At 30 September 2009	533	138	453	105	-	1,229
Net book value						
At 30 September 2009	1,098	674	143	77	2,234	4,699
At 30 September 2008	1,182	472	235	117	-	2,006

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

8. Fixed asset investments

	Group US\$'000	Company US\$'000
Cost		
At 1 October 2008	2,545	120
Additions	1,099	-
At 30 September 2009	3,644	120

Subsidiary	Country of Incorporation	Description of holding	Percentage held	Business nature
Ocean Partners UK Ltd	Great Britain	Ordinary shares	100%	Trading
Ocean Partners Investments Ltd	Great Britain	Ordinary shares	100%	Investment
Ocean Partners USA, Inc	USA	Ordinary shares	100%	Trading
Ocean Partners Canada Ltd	Canada	Ordinary shares	100%	Trading
OPH Cyprus Ltd	Cyprus	Ordinary shares	100%	Trading
Ocean Partners Peru S A C	Peru	Ordinary shares	100%	Trading
Okyanus Mineral Madencilik Sanayi Ve Ticaret Anonim Sirketi	Turkey	Ordinary shares	90%	Mining
Ocean Partners Zambia Ltd	Zambia	Ordinary shares	100%	Trading
Ocean Partners Australia Pty Ltd	Australia	Ordinary shares	100%	Trading
Ocean Partners Mexico	Mexico	Ordinary shares	100%	Dormant

Other Significant Holdings	Country of Incorporation	Description of holding	Percentage held	Business nature
Canakkale Madencilik Limited Sirketi	Turkey	Ordinary shares	25%	Mining

The investment in Canakkale Madencilik Limited Sirketi has been treated as a trade investment as the Ocean Partners Group does not exert a significant influence over the company's operating and financial policies

9. Stocks

Stocks comprise metal ores, concentrates and refined metal, where title has transferred to the group and which are held for resale

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

10 Debtors

	2009 US\$'000	2008 US\$'000
Group		
Trade debtors	74,536	69,038
Other debtors	7,769	2,366
Prepayments and accrued income	8,845	477
Deferred tax asset (see note 13)	468	-
	<u>91,618</u>	<u>71,881</u>
Company		
Amounts owed by subsidiary undertakings	4,716	8,943
Other debtors	-	37
	<u>4,716</u>	<u>8,980</u>

11. Current asset investments

	2009 US\$'000	2008 US\$'000
Group		
Listed investments	<u>149</u>	<u>129</u>
Company		
Listed investments	<u>149</u>	<u>129</u>

At 30 September 2009 and 2008, the value of the current asset investments was in excess of their book cost

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

12 Creditors: amounts falling due within one year

	2009 US\$'000	2008 US\$'000
Group		
Bank loans and overdrafts	58,221	17,609
Trade creditors	64,827	63,263
Corporation tax payable	3,691	945
Accruals and deferred income	16,958	22,417
	<u>143,697</u>	<u>104,234</u>
Company		
Trade creditors	5	-
Amounts owed to subsidiary undertakings	2,594	7,668
Accruals and deferred income	163	179
	<u>2,762</u>	<u>7,847</u>

Included in bank loans and overdrafts is US\$2 75m being the maximum recourse to the company in respect of a bank loan used to make an advance to a supplier. Due to the limited recourse, these accounts do not recognise the bank loan outstanding at the year end of US\$33 9m and the equivalent debtor from the supplier.

At 30 September 2009, the group had utilised bank facilities totalling US\$58 221m (2008 US\$17 609m). The bank facilities are subject to a number of covenants and are secured by liens and charges over the assets of the company.

13 Deferred taxation

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2009 US\$	2008 US\$
Profit and loss account (note 6)	(468)	-
	<u> </u>	<u> </u>
	2009 US\$	2008 US\$
Decelerated capital allowances	(23)	-
Other timing differences	(445)	-
	<u>(468)</u>	<u>-</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

14 Pension costs

The group operates a defined contribution pension plan for employees. Funds are deposited with financial institutions into an account for each employee. The institutions manage those funds on behalf of the employee. Funds are deposited for each pay period.

15 Share capital

	2009 US\$	2008 US\$
Authorised.		
1,250 Ordinary Shares of US \$1 each	1,250	1,250
Allotted and fully paid		
883/881 Ordinary Shares of US \$1 each	883	881

On 22 April 2009, 2 US\$1 shares were issued at a premium of US\$43,055 per share.

OCEAN PARTNERS HOLDINGS LIMITED

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16. Reconciliation of movement in shareholders' funds

Group	Issued share capital US\$'000	Share premium US\$'000	Profit and loss account US\$'000	Total equity shareholders' funds US\$'000
Balance at 1 October 2008	1	2,714	33,051	35,766
Shares issued in the year	-	86	-	86
Profit for the financial year	-	-	8,526	8,526
Equity dividend paid	-	-	(4,846)	(4,846)
	<u>1</u>	<u>2,800</u>	<u>36,731</u>	<u>39,532</u>
Balance at 30 September 2009	1	2,800	36,731	39,532
	<u>1</u>	<u>2,800</u>	<u>36,731</u>	<u>39,532</u>
Company				
Balance at 1 October 2008	1	2,714	(1,321)	1,394
Shares issued in the year	-	86	-	86
Profit for the financial year	-	-	5,716	5,716
Equity dividend paid	-	-	(4,846)	(4,846)
	<u>1</u>	<u>2,800</u>	<u>(451)</u>	<u>2,350</u>
Balance at 30 September 2009	1	2,800	(451)	2,350
	<u>1</u>	<u>2,800</u>	<u>(451)</u>	<u>2,350</u>

The Company's profit and loss account showed a deficit of US\$451k as at 30 September 2009. To rectify this matter, a dividend of US\$1m was paid to the company by Ocean Partners UK Limited on 24 December 2009.

17. Minority interests

	2009 US\$'000	2008 US\$'000
Acquisition of subsidiary undertaking	4	4
Accumulated loss on ordinary activities after taxation	(171)	(62)
Accumulated provision against loss on ordinary activities after taxation	171	62
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

18 Directors' emoluments	2009 US\$'000	2008 US\$'000
Emoluments	5,544	4,452
Pension costs	136	549
	<u>5,680</u>	<u>5,001</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	1,057	934
Pension costs	26	28
	<u>1,083</u>	<u>962</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2009	2008
Trading	11	8
Administrative	12	13
Financial	18	12
Production	52	12
	<u>93</u>	<u>45</u>

Employment costs

	2009 US\$'000	2008 US\$'000
Wages and salaries	9,074	7,301
Social security costs	311	393
Pension costs	487	840
	<u>9,872</u>	<u>8,534</u>

20 Related party transactions

During the year a group company paid rent of US\$45,688 to Pillay & Associates Limited, a company controlled by Siva Pillay (2008 - US\$136,936 in respect of professional services rendered)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

21. Notes to cash flow statements

i) Reconciliation of operating profit to net cash (outflow)/ inflow from operating activities

	2009 US\$'000	2008 US\$'000
Operating profit	13,439	13,660
Depreciation of tangible fixed assets	437	476
Exchange rate differences on fixed assets	296	-
(Increase)/Decrease in stocks	(6,485)	44,070
(Increase)/Decrease in debtors	(19,269)	16,670
(Increase) in current asset investments	(20)	-
(Decrease) in creditors	(3,894)	(20,825)
Net cash (outflow)/inflow from operating activities	(15,496)	54,051

ii) Reconciliation of net cash flow to movement in net funds (note iii)

	US\$'000
(Decrease) in cash in the year	(27,417)
Net funds at 1 October 2008	9,539
Net funds at 30 September 2009	(17,878)

(iii) Analysis of net funds

	1 October 2008 US\$'000	Cash flow US\$'000	30 September 2009 US\$'000
Cash in hand and at bank (including overnight deposits)	27,148	13,195	40,343
Bank loans and overdrafts	(17,609)	(40,612)	(58,221)
Total	9,539	(27,417)	(17,878)

22 Dividends

	2009 US\$'000	2008 US\$'000
Ordinary interim paid	4,846	4,846