

Company Registration No. 05171663 (England and Wales)

OCEAN PARTNERS HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

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OCEAN PARTNERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Dimitrije Aksentijevic Jeffrey Beck (Chairman) 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
Registered auditors	Citroen Wells Devonshire House 1 Devonshire Street London W1W 5DR
Solicitors	SNR Denton 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 2010

The directors present their annual report with the audited financial statements of the company and the group for the year ended 30 September 2010

Principal activities and review of the business

The Ocean Partners group of companies entered its sixth 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 increased in the year under review, and this is reflected, in the main, by the increase 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.

Key financial highlights

The key performance indicators are as follows

	2010 US\$	2009 US\$
Gross profit (Page 6)	34,891,387	29,034,253
Staff costs (Page 24)	10,435,279	9,870,734
Profit for the financial year (Page 6)	8,692,716	8,528,007
Average number of staff (Page 24)	97	93

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Results and dividends

The group made a profit for the year after tax and minority interests of US\$8,692,716 (2009 - US\$8,528,007)

During the year an interim dividend of US\$11,000 per ordinary share was paid (2009 - US\$5,500 per ordinary share) The directors do not recommend payment of a final dividend (2009 - \$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 2010, the group made charitable contributions totalling US\$208,099 (2009 US\$150,661) of which US\$60,411 (2009 US\$50,610) was paid to UK charitable organisations.

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

	2010	2009
	\$	\$
Social Welfare and Development	110,109	73,321
Education	36,040	26,000
Health and Medicine	61,950	51,340
	<u>208,099</u>	<u>150,661</u>

Directors

The following directors have held office since 1 October 2009

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

Auditors

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

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Statement of 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

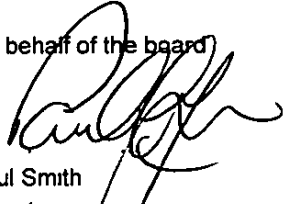
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group'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 group's auditors are aware of that information.

On behalf of the board


Paul Smith
Director

19/1/2011

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OCEAN PARTNERS HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Ocean Partners Holdings Limited for the year ended 30 September 2010 set out on pages 6 to 26. 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 Chapter 3 of Part 16 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out 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 the 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 parent company's affairs as at 30 September 2010 and of the group's profit 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 (CONTINUED)

TO THE MEMBERS OF OCEAN PARTNERS HOLDINGS LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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 require for our audit



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

31/1/11

Chartered Accountants
Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

		2010	2009
	Notes	\$	\$
Turnover	3	928,376,516	636,584,369
Cost of sales		(893,485,129)	(607,550,116)
Gross profit		34,891,387	29,034,253
Administrative expenses		(19,313,439)	(15,593,466)
Operating profit	4	15,577,948	13,440,787
Share of associate's operating loss	5	(25,696)	-
Interest receivable and similar income			
Group		1,456,922	2,310,172
Associate		3,014	-
Interest payable and similar charges	6		
Group		(2,294,895)	(2,625,533)
Associate		(2,671)	-
Profit on ordinary activities before taxation		14,714,622	13,125,426
Tax on profit on ordinary activities	7	(6,021,906)	(4,597,419)
Profit on ordinary activities after taxation		8,692,716	8,528,007
Minority interests	20	-	-
Profit for the financial year	2	8,692,716	8,528,007

The profit and loss account has been prepared on the basis that all operations are continuing operations

OCEAN PARTNERS HOLDINGS LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	2010	2009
	\$	\$
Profit for the financial year	8,692,716	8,528,007
Currency translation differences on foreign currency net investments	<u>(118,651)</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>8,574,065</u>	<u>8,528,007</u>

OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS

AS AT 30 SEPTEMBER 2010

	Notes	Group 2010 \$	2009 \$	Company 2010 \$	2009 \$
Fixed assets					
Tangible assets	9	4,817,095	4,699,668	-	-
Investments	10	3,659,367	3,643,561	120,399	120,399
		<u>8,476,462</u>	<u>8,343,229</u>	<u>120,399</u>	<u>120,399</u>
Current assets					
Stocks	12	20,017,063	42,780,385	-	-
Debtors	13	90,925,037	91,617,991	6,224,532	4,716,533
Current asset investments	14	148,731	148,731	148,731	148,731
Cash at bank and in hand		63,010,836	40,342,506	1,849,908	126,346
		<u>174,101,667</u>	<u>174,889,613</u>	<u>8,223,171</u>	<u>4,991,610</u>
Creditors amounts falling due within one year	15	(144,180,899)	(143,696,677)	(4,853,290)	(2,763,275)
Net current assets		<u>29,920,768</u>	<u>31,192,936</u>	<u>3,369,881</u>	<u>2,228,335</u>
 Debtors subject to non-recourse finance arrangement	15	43,250,000	33,916,666	-	-
Less Non-recourse finance arrangement	15	(43,250,000)	(33,916,666)	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>38,397,230</u>	<u>39,536,165</u>	<u>3,490,280</u>	<u>2,348,734</u>
 Capital and reserves					
Called up share capital	18	883	883	883	883
Share premium account	19	2,801,049	2,801,049	2,801,049	2,801,049
Profit and loss account	19	35,591,067	36,730,002	688,348	(453,198)
Shareholders' funds	21	<u>38,392,999</u>	<u>39,531,934</u>	<u>3,490,280</u>	<u>2,348,734</u>
Minority interests	20	4,231	4,231	-	-
Total capital employed		<u>38,397,230</u>	<u>39,536,165</u>	<u>3,490,280</u>	<u>2,348,734</u>

OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS (CONTINUED)

AS AT 30 SEPTEMBER 2010

Approved by the Board and authorised for issue on

19/1/2011



Paul Smith
Director

Company Registration No. 05171663

OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Note	\$	2010 \$	\$	2009 \$
Net cash inflow/(outflow) from operating activities	24		45,543,168		(15,495,913)
Returns on investments and servicing of finance					
Interest received		1,456,922		2,310,172	
Interest paid		(2,294,895)		(2,625,533)	
Net cash outflow for returns on investments and servicing of finance			(837,973)		(315,361)
Taxation			(6,386,955)		(2,319,322)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(1,413,427)		(3,438,537)	
Payments to acquire fixed asset investments		(41,159)		(1,099,918)	
Receipts from disposal of tangible assets		-		12,302	
Net cash outflow for capital expenditure			(1,454,586)		(4,526,153)
Equity dividends paid			(9,713,000)		(4,845,500)
Net cash inflow/(outflow) before management of liquid resources and financing			27,150,654		(27,502,249)
Financing					
Issue of ordinary share capital		-		86,110	
Net cash inflow from financing			-		86,110
Increase/(decrease) in cash in the year	25, 26		27,150,654		(27,416,139)

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 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 2010. Acquisitions are accounted for under the acquisition method

1.4 Associated undertakings

In the Group's financial statements, investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of associates' profits less losses while the Group's share of the net assets of the associates are shown in the consolidated balance sheet. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out below. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

1.5 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.

1.6 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.7 Tangible fixed assets and depreciation

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

Computer equipment & software	3-5 years
Fixtures, fittings & equipment	3-5 years
Mineral properties, building, land & leasehold additions	5-15 years
Motor vehicles	3 years
Construction in progress	7 years
Exploration	Not depreciated

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 Accounting policies

(continued)

1.8 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.

1.9 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.

1.10 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.

1.11 Currency

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

1.12 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.

The results of overseas operations are translated at the average rate of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on the translation of the opening net assets are reported in the statement of total recognised gains and losses.

1.13 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.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

1 Accounting policies

(continued)

1.14 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.

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.

1.15 Investments

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

1.16 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' fund.

2 Profit for the financial year

As permitted by section 408 Companies Act 2006 the profit and loss account of the parent company is not presented as part of the accounts. The parent company's profit after corporation tax for the year was -

	2010	2009
	\$	\$
Parent company's profit after corporation tax for the year	10,854,546	5,716,123

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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

	UK	2010 USA	Adjustments on consolidation & other locations	2010 Total	2009 Total
	\$	\$	\$	\$	\$
Turnover	593,029,400	326,905,685	8,441,431	928,376,516	636,584,369
Profit before taxation	13,814,245	5,482,652	(4,582,275)	14,714,622	13,125,426
Net assets	12,803,562	27,839,390	(2,245,722)	38,397,230	39,536,165

Segmental analysis by geographical area

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

	2010 \$	2009 \$
Europe	71,640,965	62,745,969
North America	36,419,410	28,861,924
South America	12,171,730	2,438,971
Australia	9,726,080	2,746,581
Asia	794,089,196	535,529,405
Africa	3,265,242	3,701,588
Other including commissions	1,063,893	559,931
	<u>928,376,516</u>	<u>636,584,369</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

4	Operating profit	2010	2009
		\$	\$
	Operating profit is stated after charging		
	Depreciation of tangible assets	815,291	439,076
	Loss on disposal of tangible assets	480,709	-
	(Profit)/Loss on foreign exchange transactions	(43,839)	1,387,079
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company \$37,444, 2009 \$37,067)	141,485	144,198
	Tax services to the company	40,119	13,220
	Audit services to group companies	800	-
		<u> </u>	<u> </u>
		182,404	157,418
		<u> </u>	<u> </u>
5	Share of associate's operating loss	2010	2009
		\$	\$
	Operating loss from existing operations	25,696	-
		<u> </u>	<u> </u>
6	Interest payable and similar charges	2010	2009
		\$	\$
	Bank loans and overdrafts	1,926,622	1,984,289
	Letters of credit discounting and similar charges	370,944	641,244
		<u> </u>	<u> </u>
		2,297,566	2,625,533
		<u> </u>	<u> </u>
	Group	2,294,895	2,625,533
	Associate	2,671	-
		<u> </u>	<u> </u>
		2,297,566	2,625,533
		<u> </u>	<u> </u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

7	Taxation	2010	2009
		\$	\$
	Domestic current year tax		
	U K corporation tax	3,919,808	2,573,880
	Foreign corporation tax	2,214,064	2,491,814
		<u>6,133,872</u>	<u>5,065,694</u>
	Current tax charge		
	Deferred tax		
	Origination and reversal of timing differences	(111,966)	(468,275)
		<u>6,021,906</u>	<u>4,597,419</u>
	Tax on profit on ordinary activities		
		<u>14,714,622</u>	<u>13,125,426</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	14,714,622	13,125,426
		<u>4,120,094</u>	<u>3,675,119</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	4,120,094	3,675,119
	Effects of		
	Higher tax rates on overseas earnings	1,292,639	1,045,385
	Other tax adjustments	721,139	345,190
		<u>2,013,778</u>	<u>1,390,575</u>
	Current tax charge	<u>6,133,872</u>	<u>5,065,694</u>
8	Dividends	2010	2009
		\$	\$
	Ordinary interim paid	9,713,000	4,845,500
		<u>9,713,000</u>	<u>4,845,500</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

9 Tangible fixed assets

Group	Fixtures, fittings & equipment	Mineral properties, buildings, land & leasehold additions	Computer equipment & software	Motor vehicles	Construction in progress and Exploration	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 October 2009	1,631,335	812,082	596,774	181,535	2,707,251	5,928,977
Additions	441,070	812,261	31,647	2,151	126,298	1,413,427
Disposals	(11,835)	(334)	(1,107)	-	(472,756)	(486,032)
At 30 September 2010	2,060,570	1,624,009	627,314	183,686	2,360,793	6,856,372
Depreciation						
At 1 October 2009	532,691	137,917	453,258	105,443	-	1,229,309
On disposals	(4,021)	(195)	(1,107)	-	-	(5,323)
Charge for the year	266,343	105,385	86,127	25,464	331,972	815,291
At 30 September 2010	795,013	243,107	538,278	130,907	331,972	2,039,277
Net book value						
At 30 September 2010	1,265,557	1,380,902	89,036	52,779	2,028,821	4,817,095
At 30 September 2009	1,098,644	674,165	143,516	76,092	2,707,251	4,699,668

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

10 Fixed asset investments Group

	Unlisted investments	Investment in associate	Total
	\$	\$	\$
Cost			
At 1 October 2009	3,643,561	-	3,643,561
Additions	-	41,159	41,159
Share of retained loss for the year		(25,353)	(25,353)
At 30 September 2010	3,643,561	15,806	3,659,367
Net book value			
At 30 September 2010	3,643,561	15,806	3,659,367
At 30 September 2009	3,643,561	-	3,643,561

Company

	Shares in group undertakings
	\$
Cost	
At 1 October 2009 & at 30 September 2010	120,399
Net book value	
At 30 September 2010	120,399
At 30 September 2009	120,399

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of incorporation	Shares held		Principal activity
		Class	%	
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 S A C	Peru	Ordinary shares	100	Trading

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

10 Fixed asset investments

(continued)

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
Okyanus Mineral Madencilik Sanayi ve Ticaret Anonim Sirketi	Turkey	Ordinary shares	90	Mining

Associates

Atlantis Mineral Arama ve Madencilik Sanayi ve Ticaret Anonim Sirketi	Turkey	Ordinary shares	50	Mining
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Other significant interests

Canakkale Madencilik Limited Sirketi	Turkey	Ordinary shares	25	Mining
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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

11 Investment in Associate

The following information is given in respect of the Group's share of all associates

	2010 Group share \$	2010 Total \$
Turnover	-	-
Loss before tax	25,353	50,706
Taxation	-	-
Loss after tax	25,353	50,706
Fixed assets	13,488	26,976
Current assets	65,378	130,756
Liabilities due within one year	100,157	200,315

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

12 Stocks

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Goods for resale	20,017,063	42,780,385	-	-

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

13 Debtors

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Trade debtors	68,031,373	74,535,931	-	-
Amounts owed by group undertakings	-	-	6,221,111	4,716,533
Amounts owed by associate undertaking	184,208	-	-	-
Other debtors	6,294,763	7,768,798	3,421	-
Prepayments and accrued income	15,834,452	8,844,987	-	-
Deferred tax asset (see note 16)	580,241	468,275	-	-
	90,925,037	91,617,991	6,224,532	4,716,533

14 Current asset investments

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Listed investments	148,731	148,731	148,731	148,731

At 30 September 2010 and 30 September 2009, the value of the current asset investments was in excess of their book cost

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2010

15 Creditors : amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Bank loans and overdrafts	53,738,024	58,220,348	-	-
Trade creditors	63,741,682	64,826,606	13,777	4,663
Amounts owed to group undertakings	-	-	2,927,627	2,594,070
Corporation tax	3,438,545	3,691,628	-	-
Taxes and social security costs	-	2,725	-	2,725
Directors' current accounts	1,263,382	-	1,263,382	-
Other creditors	529,118	-	529,118	-
Accruals and deferred income	21,470,148	16,955,370	119,386	161,817
	<u>144,180,899</u>	<u>143,696,677</u>	<u>4,853,290</u>	<u>2,763,275</u>

Included in bank loans and overdrafts is \$4,250,000 (2009 \$2,750,000) 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 \$43,250,000 (2009 \$33,916,666) and the equivalent debtor from the supplier.

At 30 September 2010, the group had utilised bank facilities of \$53,738,024 (2009 \$58,220,348). The bank facilities are subject to a number of covenants and are secured by liens and charges over the assets of the company.

16 Deferred taxation

The deferred tax asset (included in debtors, note 13) is made up as follows:

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Balance at 1 October 2009	(468,275)	-	-	-
Profit and loss account	(111,966)	-	-	-
Balance at 30 September 2010	<u>(580,241)</u>		<u>-</u>	

	Group		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Decelerated capital allowances	(32,515)	(22,800)	-	-
Other timing differences	(547,726)	(445,475)	-	-
	<u>(580,241)</u>	<u>(468,275)</u>	<u>-</u>	<u>-</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

17 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.

18 Share capital	2010	2009
	\$	\$
Allotted, called up and fully paid		
883 Ordinary shares of \$1 each	883	883

19 Statement of movements on reserves Group

	Share premium account	Profit and loss account
	\$	\$
Balance at 1 October 2009	2,801,049	36,730,002
Profit for the year	-	8,692,716
Foreign currency translation differences	-	(118,651)
Dividends paid	-	(9,713,000)
Balance at 30 September 2010	2,801,049	35,591,067

Company

	Share premium account	Profit and loss account
	\$	\$
Balance at 1 October 2009	2,801,049	(453,198)
Profit for the year	-	10,854,546
Dividends paid	-	(9,713,000)
Balance at 30 September 2010	2,801,049	688,348

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

20	Minority interests		2010
			\$
	At 1 October 2009		4,231
	Loss on ordinary activities after taxation		(190,459)
	Provision against loss on ordinary activities after taxation		190,459
	At 30 September 2010		<u>4,231</u>
21	Reconciliation of movements in shareholders' funds	2010	2009
	Group	\$	\$
	Profit for the financial year	8,692,716	8,528,007
	Dividends	(9,713,000)	(4,845,500)
		<u>(1,020,284)</u>	<u>3,682,507</u>
	Other recognised gains and losses	(118,651)	-
	Proceeds from issue of shares	-	86,110
		<u>(1,138,935)</u>	<u>3,768,617</u>
	Net (depletion in)/addition to shareholders' funds	(1,138,935)	3,768,617
	Opening shareholders' funds	39,531,934	35,763,317
		<u>38,392,999</u>	<u>39,531,934</u>
	Closing shareholders' funds	<u>38,392,999</u>	<u>39,531,934</u>
		2010	2009
	Company	\$	\$
	Profit for the financial year	10,854,546	5,716,123
	Dividends	(9,713,000)	(4,845,500)
		<u>1,141,546</u>	<u>870,623</u>
	Proceeds from issue of shares	-	86,110
		<u>1,141,546</u>	<u>956,733</u>
	Net addition to shareholders' funds	1,141,546	956,733
	Opening shareholders' funds	2,348,734	1,392,001
		<u>3,490,280</u>	<u>2,348,734</u>
	Closing shareholders' funds	<u>3,490,280</u>	<u>2,348,734</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

22 Directors' emoluments	2010 \$	2009 \$
Emoluments	5,928,021	5,544,308
Pension costs	142,617	136,468
	<u>6,070,638</u>	<u>5,680,776</u>

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

Emoluments	1,098,376	1,056,812
Pension costs	27,827	25,962
	<u>1,126,203</u>	<u>1,082,774</u>

23 Employees

Number of employees

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

	2010 Number	2009 Number
Trading	11	11
Administrative	14	12
Financial	19	18
Production	53	52
	<u>97</u>	<u>93</u>

Employment costs	2010 \$	2009 \$
Wages and salaries	9,326,034	9,073,538
Social security costs	565,029	310,556
Other pension costs	544,216	486,640
	<u>10,435,279</u>	<u>9,870,734</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

24	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2010	2009
		\$	\$
	Operating profit	15,577,948	13,440,787
	Depreciation of tangible assets	815,291	439,076
	Loss on disposal of tangible assets	480,709	-
	Decrease/(increase) in stocks	22,763,322	(6,486,203)
	Decrease/(increase) in debtors	804,920	(19,269,927)
	Increase/(decrease) in creditors within one year	5,219,629	(3,894,348)
	Net effect of foreign exchange differences	(118,651)	294,571
	(Increase) in current asset investments	-	(19,869)
	Net cash inflow/(outflow) from operating activities	45,543,168	(15,495,913)

25	Analysis of net funds/(debt)	1 October 2009	Cash flow	30 September 2010
		\$	\$	\$
	Net cash			
	Cash at bank and in hand	40,342,506	22,668,330	63,010,836
	Debts falling due within one year	(58,220,348)	4,482,324	(53,738,024)
	Net (debt)/funds	(17,877,842)	27,150,654	9,272,812

26	Reconciliation of net cash flow to movement in net debt	2010	2009
		\$	\$
	Increase in cash in the year	22,668,330	13,195,002
	Cash outflow/(inflow) from decrease/(increase) in debt	4,482,324	(40,611,141)
	Movement in net funds/(debt) in the year	27,150,654	(27,416,139)
	Opening net (debt)/funds	(17,877,842)	9,538,297
	Closing net funds/(debt)	9,272,812	(17,877,842)

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2010**

27 Related party relationships and transactions

Group

During the year, a group company paid rent of US\$51,929 (2009 US\$45,688) to Pillay & Associates Limited, a company controlled by Siva Pillay

At the year end the following amounts were due to the directors -

Jeffrey Beck \$304,342
Walter Cimowsky \$304,342
Alan Paterson \$304,342
Siva Pillay \$46,014
Paul Smith \$304,342

Also, at the year the end the following amounts were due to shareholders of the company -

Mineco Holding B V \$202,895
Devin Burnett \$21,881
Dafree Holdings Limited \$304,342

All of the above amounts are interest free and repayable on demand

The Company paid an interim dividend during the year of \$11,000 per share (2009 - \$5,500 per share) to the following directors of the company -

Jeffrey Beck (150 shares)
Paul Smith (150 shares)
Alan Paterson (150 shares)
Siva Pillay (23 shares)

The interim dividend was also paid to the following companies -

2113743 Ontano Inc, of which Walter Cimowsky is the overall controlling party, (150 shares)
Dafree Holdings Limited, of which Ad van Halder is the overall controlling party, (150 shares)