

Company Registration No 05171663 (England and Wales)

OCEAN PARTNERS HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2012



OCEAN PARTNERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Dimitrije Aksentijevic Jeffrey Beck (Chairman) Walter Cimowsky Alan Paterson Siva Pillay Ad van Halder
Secretary	Siva Pillay
Company number	05171663
Registered office	30-36 King Street Maidenhead Berkshire SL6 1EF
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 PERIOD ENDED 31 DECEMBER 2012

The directors present their annual report with the audited financial statements of the company and the group for the period ended 31 December 2012

Principal activities and review of the business

The Ocean Partners group of companies entered its ninth year 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 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, US and more recently Europe, South America and Taiwan 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.

During the period the group further assimilated MK Metal Trading Holding II, S A P I de C V and its subsidiary undertakings, which continued to provide a positive contribution to the group's results and range of business skills.

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.

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 broadened business base and is therefore well placed to survive the current worldwide economic turmoil.

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

Key financial performance indicators

The key performance indicators for the last three accounting periods are as follows

	15 months ended 31 December 2012 US\$	12 months ended 30 September 2011 US\$	12 months ended 30 September 2010 US\$
Gross profit (Page 7)	65,964,712	27,171,834	34,891,387
Staff costs (Page 32)	15,987,540	8,958,348	10,435,279
Profit for the financial period (Page 8)	17,834,661	3,646,872	8,692,716
Average number of staff (Page 32)	146	105	97

As a result of the continued expansion of the group's trading activities into Europe, South America and Taiwan, turnover and gross profit (pro-rata) increased over the period in absolute monetary terms and the gross profit percentage also increased from 1.87% to 3.05%

Results and dividends

The group made a profit for the period after tax and minority interests of US\$17,834,661 (year ended 30 September 2011 - US\$3,646,872)

During the period an interim dividend of US\$8,600 per ordinary share was paid (year ended 30 September 2011 - US\$5,500 per ordinary share)

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 period ended 31 December 2012, the group made charitable contributions totalling US\$179,112 (year ended 30 September 2011 - US\$179,640) of which US\$128,262 (year ended 30 September 2011 - US\$53,883) was paid to UK charitable organisations.

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

	15 months ended 31 December 2012 US\$	12 months ended 30 September 2011 US\$
Social Welfare and Development	120,695	146,999
Education	11,700	8,815
Health and Medicine	46,717	23,826
	<u>179,112</u>	<u>179,640</u>

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

Directors

The following directors have held office since 1 October 2011

Dimitrije Aksentijevic

Jeffrey Beck (Chairman)

Walter Cimowsky

Alan Paterson

Siva Pillay

Paul Smith

(Resigned 7 June 2012)

Ad van Halder

Auditors

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

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

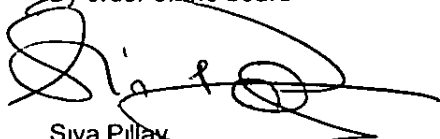
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

By order of the board



Siva Pillay
Secretary
5 July 2013

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 period ended 31 December 2012 set out on pages 6 to 34. 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 4, 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 and express an opinion on 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 parent 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2012 and of the group's profit for the period 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 period 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

11 July 2013

Chartered Accountants
Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2012

		15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
	Notes		
Turnover	4		
Continuing operations	1,792,660,560	1,455,301,286	
Acquisitions	367,936,384	-	
		<u>2,160,596,944</u>	<u>1,455,301,286</u>
Less share of joint venture's turnover		(53,757)	-
		<u>2,160,543,187</u>	<u>1,455,301,286</u>
 Cost of sales	 4	 (2,094,578,475)	 (1,428,129,452)
 Gross profit	 4	 65,964,712	 27,171,834
Administrative expenses	4	(35,134,926)	(19,064,153)
Other operating income	4	118,625	-
		<u>30,948,411</u>	<u>8,107,681</u>
Operating profit	5		
Continuing operations	22,120,945	8,107,681	
Acquisitions	8,827,466	-	
		<u>30,948,411</u>	<u>8,107,681</u>
Exceptional item	6	-	506,843
Profit on ordinary activities before interest		<u>30,948,411</u>	<u>8,614,524</u>
Share of associate's operating profit/(loss)		848,634	(66,380)
Share of joint venture's operating (loss)		(104,815)	-
Interest receivable and similar income			
Group		8,301,536	3,538,405
Associate		65,357	1,288

OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

		15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
	Notes		
Interest payable and similar charges	7		
Group		(13,033,136)	(4,766,083)
Associate		(36,733)	(4,683)
Profit on ordinary activities before taxation		26,989,254	7,317,071
Tax on profit on ordinary activities	8	(8,460,150)	(3,670,199)
Profit on ordinary activities after taxation		18,529,104	3,646,872
Minority interests		(694,443)	-
Profit for the financial period		17,834,661	3,646,872

OCEAN PARTNERS HOLDINGS LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 DECEMBER 2012

	15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
Profit for the financial period	17,834,661	3,646,872
Currency translation differences on foreign currency investments		
Group	(266,202)	1,610,281
Associate	(718)	13,885
Joint Venture	60,185	-
Total recognised gains and losses relating to the period	<u>17,627,926</u>	<u>5,271,038</u>

OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2012

	Notes	Group 2012 \$	2011 \$	Company 2012 \$	2011 \$
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	12	4,465,461	3,755,389	-	-
Investments	13	7,821,543	4,095,967	9,967,101	120,399
		<u>12,287,004</u>	<u>7,851,356</u>	<u>9,967,101</u>	<u>120,399</u>
Current assets					
Stocks	16	290,899,272	163,946,697	-	-
Debtors	17	263,582,420	193,905,433	16,509,310	9,292,211
Current asset investment	18	122,578	122,578	122,578	122,578
Cash at bank and in hand		63,652,971	44,098,371	271,793	1,135,746
		<u>618,257,241</u>	<u>402,073,079</u>	<u>16,903,681</u>	<u>10,550,535</u>
Creditors amounts falling due within one year	19	<u>(578,860,766)</u>	<u>(371,072,583)</u>	<u>(23,442,934)</u>	<u>(7,347,164)</u>
Net current assets		<u>39,396,475</u>	<u>31,000,496</u>	<u>(6,539,253)</u>	<u>3,203,371</u>
Debtors subject to non-recourse finance arrangement	19	42,738,000	15,457,631	-	-
Less Non-recourse finance arrangement	19	<u>(42,738,000)</u>	<u>(15,457,631)</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Provisions for liabilities	20	<u>(44,630)</u>	<u>(40,084)</u>	<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>51,638,849</u>	<u>38,811,768</u>	<u>3,427,848</u>	<u>3,323,770</u>
Capital and reserves					
Called up share capital	22	886	883	886	883
Share premium account	23	2,929,530	2,801,049	2,929,530	2,801,049
Profit and loss account	23	46,013,931	36,005,605	497,432	521,838
Shareholders' funds	25	<u>48,944,347</u>	<u>38,807,537</u>	<u>3,427,848</u>	<u>3,323,770</u>
Minority interests	24	<u>2,694,502</u>	<u>4,231</u>	<u>-</u>	<u>-</u>
Total capital employed		<u>51,638,849</u>	<u>38,811,768</u>	<u>3,427,848</u>	<u>3,323,770</u>

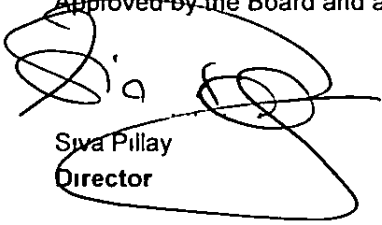
OCEAN PARTNERS HOLDINGS LIMITED

BALANCE SHEETS (CONTINUED)

AS AT 31 DECEMBER 2012

Approved by the Board and authorised for issue on

5th July 2013



Siva Pillay
Director

Company Registration No 05171663

OCEAN PARTNERS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2012

		15 Months ended 31 December 2012	12 Months ended 30 September 2011
	Note	\$	\$
Net cash outflow from operating activities	32	(100,354,584)	(243,873,049)
Returns on investments and servicing of finance			
Interest received		8,231,947	3,538,405
Interest paid		(13,033,136)	(4,766,083)
Dividend from associate undertaking		634,436	-
Net cash outflow for returns on investments and servicing of finance		(4,166,753)	(1,227,678)
Taxation		(4,119,959)	(4,495,333)
Capital expenditure and financial investment			
Payments to acquire tangible assets		(555,525)	(629,836)
Payments to acquire investments		(3,695,106)	(608,826)
Receipts from sales of tangible assets		781,001	11,968
Receipts from sales of investments		-	575,064
Net cash outflow for capital expenditure		(3,469,630)	(651,630)
Acquisitions and disposals			
Purchase of subsidiary undertakings		(8,730,162)	-
Net cash outflow for acquisitions and disposals		(8,730,162)	-
Equity dividends paid		(7,619,600)	(4,856,500)
Net cash outflow before management of liquid resources and financing		(128,460,688)	(255,104,190)
Financing			
Issue of ordinary share capital		128,484	-
Increase in bank finance		147,886,804	236,191,725
Net cash inflow from financing		148,015,288	236,191,725
Increase/(decrease) in cash in the period	33, 34	19,554,600	(18,912,465)

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

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 period ended 31 December 2012. Acquisitions are accounted for under the acquisition method

1.4 Associated undertaking

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 the associate's profits less losses while the group's share of the net assets of the associate is shown in the consolidated balance sheet. Goodwill arising on the acquisition of the associate 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 the associate.

1.5 Joint venture

In the group's financial statements, investment in the joint venture is accounted for using the gross equity method. The consolidated profit and loss account includes the group's share of the joint venture's turnover and profits less losses. The group's share of the net assets of the joint venture are shown separately on the balance sheet. Goodwill arising on the acquisition of the joint venture 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 the joint venture.

1.6 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 in full 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.

1.7 Goodwill

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

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.8 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

1.9 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.

1.10 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.

1.11 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 period. 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.

1.12 Currency

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

1.13 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.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.14 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

1.15 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.

1.16 Investments

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

1.17 Share-based payments

The difference in the 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.

2 Profit for the financial period

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 period was -

	15 Months ended 31 December 2012	12 Months ended 30 September 2011
	\$	\$
Parent company's profit after corporation tax for the period	7,595,194	4,689,990

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

3 Turnover

In the opinion of the directors it would be seriously prejudicial to the business of the group to disclose the geographical spread of turnover

4 Analysis of continuing and acquired business activities

	15 Months ended 31 December 2012		
	Continuing \$	Acquisition \$	Total \$
Turnover	1,792,660,560	367,936,384	2,160,596,944
Less share of joint venture's turnover	-	(53,757)	(53,757)
	<u>1,792,660,560</u>	<u>367,882,627</u>	<u>2,160,543,187</u>
Cost of sales	(1,746,906,061)	(347,672,414)	(2,094,578,475)
Gross profit	<u>45,754,499</u>	<u>20,210,213</u>	<u>65,964,712</u>
Administrative expenses	(23,752,179)	(11,382,747)	(35,134,926)
Other operating income	118,625	-	118,625
Operating profit	<u>22,120,945</u>	<u>8,827,466</u>	<u>30,948,411</u>

	12 Months ended 30 September 2011		
	Continuing \$	Acquisition \$	Total \$
Turnover	1,455,301,286	-	1,455,301,286
Cost of sales	(1,428,129,452)	-	(1,428,129,452)
Gross profit	<u>27,171,834</u>	<u>-</u>	<u>27,171,834</u>
Administrative expenses	(19,064,153)	-	(19,064,153)
Operating profit	<u>8,107,681</u>	<u>-</u>	<u>8,107,681</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

5	Operating profit	15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
	Operating profit is stated after charging		
	Amortisation of intangible assets	121,898	-
	Depreciation of tangible assets	828,011	730,932
	Provision for diminution in value of investment	70,312	-
	Loss on foreign exchange transactions	-	2,824,915
	Operating lease rentals	605,655	276,563
	and after crediting		
	(Profit) on disposal of tangible assets	(64,031)	(5,333)
	(Profit) on foreign exchange transactions	(1,194,386)	-
		<u>278,276</u>	<u>168,836</u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company \$52,529, 2011 \$46,339)	168,286	138,714
	Tax services to the company	88,794	17,452
	Other services to group companies	21,196	12,670
		<u>278,276</u>	<u>168,836</u>
6	Exceptional item		

During the year ended 30 September 2011 the group sold certain investments for \$575,064 (cost \$68,221) giving rise to a profit on sale of \$506,843. No such transaction occurred during the period ended 31 December 2012.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

7 Interest payable		15 Months ended 31 December 2012	12 Months ended 30 September 2011
		\$	\$
Bank loans and overdrafts		11,978,066	4,161,809
Letters of credit discounting and similar charges		1,091,803	608,957
		<u>13,069,869</u>	<u>4,770,766</u>
	Group	13,033,136	4,766,083
	Associate	<u>36,733</u>	<u>4,683</u>
		<u>13,069,869</u>	<u>4,770,766</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

8 Taxation

	15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
Domestic current year tax		
U K corporation tax	4,886,513	4,176,076
Adjustment for prior years	(2,025)	-
	<u>4,884,488</u>	<u>4,176,076</u>
Foreign corporation tax	2,884,523	(610,596)
	<u>7,769,011</u>	<u>3,565,480</u>
Current tax charge		
Deferred tax		
Origination and reversal of timing differences	691,139	104,719
	<u>8,460,150</u>	<u>3,670,199</u>
Tax on profit on ordinary activities		
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	26,989,254	7,317,071
	<u>6,698,733</u>	<u>1,975,609</u>
Profit on ordinary activities before taxation multiplied by the average rate of UK corporation tax of 24.82% (2011 - 27.00%)		
Effects of		
Higher tax rates on overseas earnings	463,076	1,305,768
Other tax adjustments	607,202	284,103
	<u>1,070,278</u>	<u>1,589,871</u>
Current tax charge	<u>7,769,011</u>	<u>3,565,480</u>

	15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
9 Dividends		
Ordinary interim paid	<u>7,619,600</u>	<u>4,856,500</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

10 Intangible fixed assets

Group

Goodwill

\$

Cost

At 1 October 2011

-

Additions

121,898

At 31 December 2012

121,898

Amortisation

At 1 October 2011

-

Charge for the period

121,898

At 31 December 2012

121,898

Net book value

At 31 December 2012

-

At 30 September 2011

-

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

11 Acquisition of subsidiary undertaking

On 16 December 2011, the group acquired 78.87% of the issued share capital of MK Metal Trading Holding II, S A P I de C V, a company incorporated in Mexico. The acquisition has been accounted for under the acquisition method.

The below table sets out the book value of the identifiable assets and liabilities acquired and their fair value to the group -

	Book Value	Fair Value to Group
	\$	\$
Tangible fixed assets	1,081,252	1,081,252
Current assets		
Stocks	27,611,978	27,611,978
Debtors	42,110,855	42,110,855
Cash	8,602,863	8,602,863
Other Financial assets	32,076,066	32,076,066
Total assets	111,483,014	111,483,014
Current liabilities		
Bank loans	(45,848,562)	(45,848,562)
Trade creditors	(24,494,254)	(24,494,254)
Accruals and other creditors	(3,988,847)	(3,988,847)
Taxation	(557,063)	(557,063)
Other financial liabilities	(26,869,484)	(26,869,484)
Total Liabilities	101,758,210	101,758,210
Goodwill arising on acquisition of subsidiary		121,898
		9,846,702
Satisfied by		
Cash		8,730,162
Deferred cash		1,116,540
		9,846,702

No fair value adjustment was required to the book values of MK Metal Trading Holding II, S A P I de C V to align them to group accounting policies. MK Metal Trading Holding II, S A P I de C V, contributed \$8,827,466 to the net operating profit of the group since it was acquired on 16 December 2011.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

12 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 2011	1,826,540	1,487,749	861,620	162,560	1,769,103	6,107,572
Exchange differences	55,771	50,915	-	3,430	141,993	252,109
From acquisition	812,656	127,128	741,441	107,703	-	1,788,928
Additions	180,665	125,015	193,430	56,415	-	555,525
Disposals	(684,903)	(70,866)	(3,071)	(48,494)	-	(807,334)
At 31 December 2012	2,190,729	1,719,941	1,793,420	281,614	1,911,096	7,896,800
Depreciation						
At 1 October 2011	794,944	245,576	608,308	127,054	576,301	2,352,183
Exchange differences	19,671	7,980	-	2,145	20,843	50,639
From acquisition	108,293	-	109,449	73,128	-	290,870
Eliminated on disposal	(11,201)	(488)	(21,416)	(57,259)	-	(90,364)
Charge for the period	271,844	140,296	223,319	52,877	139,675	828,011
At 31 December 2012	1,183,551	393,364	919,660	197,945	736,819	3,431,339
Net book value						
At 31 December 2012	1,007,178	1,326,577	873,760	83,669	1,174,277	4,465,461
At 30 September 2011	1,031,596	1,242,173	253,312	35,506	1,192,802	3,755,389

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

13	Fixed asset investments Group	Unlisted investment \$	Share in associated undertaking \$	Share in joint venture \$	Total \$
	Cost				
	At 1 October 2011	6,186,560	-	-	6,186,560
	Additions	3,695,106	140,866	(44,630)	3,791,342
	Reclassification of investments	5,375,688	(40,084)	44,630	5,380,234
	At 31 December 2012	15,257,354	100,782	-	15,358,136
	Provisions for diminution in value				
	At 1 October 2011	2,090,593	-	-	2,090,593
	Provision for diminution in value	70,312	-	-	70,312
	Reclassification of impairment provision	5,375,688	-	-	5,375,688
	At 31 December 2012	7,536,593	-	-	7,536,593
	Net book value				
	At 31 December 2012	7,720,761	100,782	-	7,821,543
	At 30 September 2011	4,095,967	-	-	4,095,967

Company

	Shares in group undertakings \$
Cost	
At 1 October 2011	120,399
Additions	9,846,702
At 31 December 2012	9,967,101
Net book value	
At 31 December 2012	9,967,101
At 30 September 2011	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

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

13 Fixed asset investments

(continued)

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	%	
Subsidiary undertakings				
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
Ocean Partners Zambia Ltd	Zambia	Ordinary shares	100	Trading
Ocean Partners Australia Pty Ltd	Australia	Ordinary shares	100	Trading
Ocean Partners Mexico, S A de C V	Mexico	Ordinary shares	100	Dormant
Okyanus Mineral Madencilik Sanayi ve Ticaret Anonim Sirketi *	Turkey	Ordinary shares	90	Mining
MK Metal Trading Holding II, S A P I de C V	Mexico	Ordinary shares	78 87	Holding company
MK Metal Trading Mexico, S A de C V *	Mexico	Ordinary shares	78 86	Trading
MK Metal Resources, S A C *	Peru	Ordinary shares	78 78	Payroll services
MK Metal Trading GmbH *	Switzerland	Ordinary shares	78 87	Trading
MK Metal Trading Peru, S A C *	Peru	Ordinary shares	78 86	Trading
APN Tech, S A C *	Peru	Ordinary shares	44 62	Financing
MK Metal Basis, S A C *	Peru	Ordinary shares	78 78	Trading
Joint venture				
CBay Minerals Inc *	Canada	Ordinary shares	50	Mining
Associate				
Atlantis Mineral Arama ve Madencilik Sanayi ve Ticaret Anonim Sirketi *	Turkey	Ordinary shares	45	Mining
Other significant interests				
Canakkale Madencilik Sanayi ve Ticaret Anonim Sirketi *	Turkey	Ordinary Shares	25	Mining

* denotes held indirectly

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

13 Fixed asset investments

(continued)

The investment in Canakkale Madencilik Sanayi ve Ticaret Anonim Sirketi has been treated as a trade investment as the group does not exert a significant influence over the company's operating and financial policies

During the period, Ocean Partners Investments Limited, took over certain debts from the other group companies (which had been fully provided against) amounting to \$5,375,688. On 20th June 2012, the company entered into a debt settlement agreement with CBay Minerals Inc, a company incorporated in Canada, which resulted in Ocean Partners Investments Limited acquiring 50% of the voting share capital of the company

Ocean Partners USA, Inc was granted an Option Certificate to purchase 100,000 shares of a publicly held mining corporation. Under the terms of the Certificate, the options may be exercised at a price of C\$1.38 per share, vested over various periods and expires in April 2016. During 2012, the Company exercised 25% of the options

14 Investment in Associate

The following information is given in respect of the group's share of the results of the associated undertaking

	15 Months ended 31 December 2012 Group share \$	15 Months ended 31 December 2012 Total \$	12 Months ended 30 September 2011 Group share \$	12 Months ended 30 September 2011 Total \$
Profit/(loss) before tax	872,072	1,937,937	(69,774)	(155,053)
Net profit/(loss) after tax	706,431	1,569,848	(69,774)	(155,053)
Fixed assets	2,006	4,458	3,944	8,765
Current assets	120,248	267,218	33,432	74,293
Liabilities due within one year	(46,994)	(104,432)	(112,427)	(249,838)

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

15 Investment in Joint Venture

The following information is given in respect of the group's share of the results of the joint venture, which was acquired on 20 June 2012

	15 Months ended 31 December 2012 Group share \$	15 Months ended 31 December 2012 Total \$
Turnover	53,757	107,514
(Loss) before tax	(104,815)	(209,631)
Net (loss) after tax	(104,815)	(209,631)
Fixed assets	977,317	1,954,634
Current assets	4,349,604	8,699,209
Liabilities due within one year	(2,977,531)	(5,955,061)
Liabilities due after one year	(214,014)	(428,028)

16 Stocks

	Group 2012 \$	2011 \$	Company 2012 \$	2011 \$
Goods for resale	290,899,272	163,946,697	-	-

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

17 Debtors

	Group		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Trade debtors	181,753,515	169,006,526	-	-
Amounts owed by group undertakings	-	-	14,080,714	6,272,848
Amounts owed by associate undertaking	-	193,241	-	-
Corporation tax	4,367,739	-	-	-
Other debtors	59,780,662	19,042,494	2,428,596	3,019,363
Prepayments and accrued income	16,205,230	5,187,650	-	-
Deferred tax asset (see note 20)	1,475,274	475,522	-	-
	<u>263,582,420</u>	<u>193,905,433</u>	<u>16,509,310</u>	<u>9,292,211</u>

Amounts falling due after more than one year and included in the debtors above are

	2012	2011	2012	2011
	\$	\$	\$	\$
Other debtors	<u>1,192,843</u>	<u>1,179,977</u>	<u>-</u>	<u>-</u>

18 Current asset investment

	Group		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Listed investment	<u>122,578</u>	<u>122,578</u>	<u>122,578</u>	<u>122,578</u>

At 31 December 2012 and 30 September 2011 the value of the current asset investment was in excess of its book cost

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

19 Creditors - amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Bank loans and overdrafts	437,816,553	289,929,749	5,681,212	-
Trade creditors	109,403,753	55,565,955	-	-
Amounts owed to group undertakings	-	-	15,924,466	6,399,083
Corporation tax	3,535,991	2,508,692	-	-
Other taxes and social security costs	645,554	-	-	-
Other creditors	10,704,407	550,292	484,610	550,000
Accruals and deferred income	16,754,508	22,517,895	1,352,646	398,081
	<u>578,860,766</u>	<u>371,072,583</u>	<u>23,442,934</u>	<u>7,347,164</u>

Included in bank loans and overdrafts is an amount of \$6,600,000 (at 30 September 2011 \$3,500,000) being the maximum recourse to the group in respect of a bank loan used to make an advance to a supplier. Due to the limited recourse, the bank loans and overdrafts do not include bank loans outstanding at the period end of \$42,738,000 (at 30 September 2011 \$15,457,631) and the equivalent debtor from the supplier.

At 31 December 2012, the group had utilised bank facilities of \$437,816,553 (30 September 2011 \$289,929,749). All bank loans are repayable within one year and are subject to a number of covenants and are secured by liens and charges over the assets of the company and group.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

20 Provision for liabilities Group

	Other provision \$
Balance at 1 October 2011	40,084
Investment in Associate (Note 13)	(40,084)
Investment in Joint venture (Note 13)	44,630
	<u>44,630</u>
Balance at 31 December 2012	<u>44,630</u>

The above provision of \$44,630 relates to the group's 50% share of the net liabilities of CBay Minerals Inc

The deferred tax asset (included in debtors, note 17) is made up as follows

	Group 2012 \$	Company 2012 \$
Balance at 1 October 2011	(475,522)	-
Profit and loss account	691,139	-
From acquisition	(1,690,891)	-
	<u>(1,475,274)</u>	<u>-</u>
Balance at 31 December 2012	<u>(1,475,274)</u>	<u>-</u>

	Group 2012 \$	2011 \$	Company 2012 \$	2011 \$
Decelerated capital allowances	(13,611)	(18,648)	-	-
Other timing differences	(1,461,663)	(456,874)	-	-
	<u>(1,475,274)</u>	<u>(475,522)</u>	<u>-</u>	<u>-</u>

21 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. The pension cost charge represents contributions payable by the group to the fund and amounted to \$987,207 (30 September 2011 \$577,757).

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

22 Share capital	2012	2011
	\$	\$
Allotted, called up and fully paid		
886 Ordinary shares of \$1 each	886	883

During the year, 3 Ordinary shares of \$1 each were issued at a premium of \$42,827 per share

23 Statement of movements on reserves Group

	Share premium account \$	Profit and loss account \$
Balance at 1 October 2011	2,801,049	36,005,605
Profit for the period	-	17,834,661
Foreign currency translation differences	-	(206,735)
Premium on shares issued during the year	128,481	-
Dividends paid	-	(7,619,600)
Balance at 31 December 2012	2,929,530	46,013,931

Company

	Share premium account \$	Profit and loss account \$
Balance at 1 October 2011	2,801,049	521,838
Profit for the period	-	7,595,194
Premium on shares issued during the year	128,481	-
Dividends paid	-	(7,619,600)
Balance at 31 December 2012	2,929,530	497,432

24 Minority interests	2012	2011
	\$	\$
Minority interests' share of net assets and liabilities in subsidiary undertakings	2,694,502	4,231

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

25 Reconciliation of movements in shareholders' funds	2012	2011
	\$	\$
Group		
Profit for the financial period	17,834,661	3,646,872
Foreign currency translation differences	(206,735)	1,624,166
	<u>17,627,926</u>	<u>5,271,038</u>
Dividends paid	(7,619,600)	(4,856,500)
Proceeds from issue of shares	128,484	-
	<u>10,136,810</u>	<u>414,538</u>
Net addition to shareholders' funds	38,807,537	38,392,999
Opening shareholders' funds	<u>48,944,347</u>	<u>38,807,537</u>
Closing shareholders' funds	<u>48,944,347</u>	<u>38,807,537</u>
	2012	2011
	\$	\$
Company		
Profit for the financial period	7,595,194	4,689,990
Dividends paid	(7,619,600)	(4,856,500)
	<u>(24,406)</u>	<u>(166,510)</u>
Proceeds from issue of shares	128,484	-
	<u>104,078</u>	<u>(166,510)</u>
Net addition to/(depletion in) shareholders' funds	3,323,770	3,490,280
Opening shareholders' funds	<u>3,427,848</u>	<u>3,323,770</u>
Closing shareholders' funds	<u>3,427,848</u>	<u>3,323,770</u>

26 Financial commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
	\$	\$
Expiry date		
Between two and five years	<u>263,268</u>	<u>256,102</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

27 Directors' emoluments	15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
Emoluments	6,778,210	4,848,390
Pension costs	188,950	149,441
	<u>6,967,160</u>	<u>4,997,831</u>

At 31 December 2012, the number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 7 (2011 - 6)

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

Emoluments	1,547,356	887,360
Company pension contributions to money purchase schemes	<u>37,992</u>	<u>30,068</u>

28 Employees

Number of employees

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

	2012 Number	2011 Number
Trading	23	11
Administrative	43	14
Financial	36	18
Production	44	62
	<u>146</u>	<u>105</u>

Employment costs	15 Months ended 31 December 2012 \$	12 Months ended 30 September 2011 \$
Wages and salaries	14,098,294	7,778,429
Social security costs	902,039	602,161
Other pension costs	987,207	577,758
	<u>15,987,540</u>	<u>8,958,348</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

29 Financial Instruments

As explained in the accounting policy note on page 15, the group's policy is to hedge exposures arising from its principal activity using forward and future metal contracts for copper, zinc, lead, gold and silver

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged, is itself recognised. Unrecognised gains and losses on instruments used for hedging and the movements therein, are as follows -

	Gains	(Losses)	Total net
	US\$	US\$	gains/(losses)
			US\$
Unrecognised gains and losses on hedges at 1 October 2011 (all recognised in the period ended 31 December 2012)	176,977,341	(124,225,302)	52,752,039
Unrecognised gains and losses on hedges at 31 December 2012	67,557,332	(57,834,969)	9,722,363
Of which			
Gains and losses expected to be recognised in the year ended 31 December 2013	67,557,332	(57,834,969)	9,722,363

30 Control

There is no overall controlling party

31 Post Balance Sheet Events

In July 2013, the company acquired a further 6.75% of the issued share capital of MK Metal Trading Holding II, S. A. P. I. de C. V. ("MK"), increasing the group's interest in MK to 85.62%

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2012

32	Reconciliation of operating profit to net cash outflow from operating activities	2012	2011
		\$	\$
	Operating profit	30,948,411	8,107,681
	Depreciation of tangible assets	828,012	730,932
	Impairment of investments	70,312	114,352
	Profit on disposal of tangible assets	(64,031)	(5,333)
	Amortisation	121,898	-
	Increase in stocks	(126,952,575)	(143,929,634)
	Increase in debtors	(64,285,312)	(103,085,115)
	Increase/(decrease) in creditors within one year	58,849,890	(8,370,188)
	Net effect of foreign exchange differences	128,811	2,564,256
	Net cash outflow from operating activities	(100,354,584)	(243,873,049)

33	Analysis of net debt	1 October 2011	Cash flow	31 December 2012
		\$	\$	\$
	Net cash			
	Cash at bank and in hand	44,098,371	19,554,600	63,652,971
	Debts falling due within one year	(289,929,749)	(147,886,804)	(437,816,553)
	Net debt	(245,831,378)	(128,332,204)	(374,163,582)

34	Reconciliation of net cash flow to movement in net debt	2012	2011
		\$	\$
	Increase/(decrease) in cash in the period	19,554,600	(18,912,465)
	Cash (inflow) from increase in debt	(147,886,804)	(236,191,725)
	Movement in net debt in the period	(128,332,204)	(255,104,190)
	Opening net (debt)/funds	(245,831,378)	9,272,812
	Closing net debt	(374,163,582)	(245,831,378)

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2012

35 Related party relationships and transactions

Group

During the period, a group company paid rent of US\$75,750 (year ended 30 September 2011 US\$48,880) to Pillay & Associates Limited, a company controlled by Siva Pillay

At the period end, Siva Pillay owed Ocean Partners Holdings Limited \$1,490,647 (at 30 September 2011 \$Nil) The loan bears interest at 3% per annum and has no set date for repayment The maximum amount outstanding during the year was \$1,490,647

In the period, a group company entered into a debt settlement agreement with CBay Minerals Inc, (see note 13, page 25) At the period end, CBay Minerals Inc, owed a group company \$250,582

During the period the Ocean Partners Holdings Limited paid interim dividends totalling \$8,600 per share (year ended 30 September 2011 - \$5,500 per share) to the following directors of the company -

Jeffrey Beck (150 shares)
Alan Paterson (150 shares)
Siva Pillay (100 shares)

Interim dividends were also paid to the following companies -

2113743 Ontario 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)