

Company Registration No. 03124254 (England and Wales)

TRANSAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

WEDNESDAY



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TRANSAL LIMITED

COMPANY INFORMATION

Directors

Vladimir Erokhin
Amon Aslanov
Azam Aslanov

Secretary

Vladimir Erokhin

Company number

03124254

Registered office

Lion House
Red Lion Street
London
WC1R 4GB

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

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TRANSAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities

The principal activity of the company is that of facilitating worldwide projects in the aluminium industry.

Directors

The following directors have held office since 1 April 2008:

Vladimir Erokhin
Amon Aslanov
Azam Aslanov

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

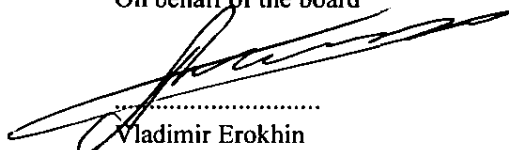
So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

TRANSAL LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board
On behalf of the board



.....
Vladimir Erokhin

12.31.2009
.....

TRANSAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRANSAL LIMITED

We have audited the financial statements of Transal Limited for the year ended 31 March 2009 set out on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

TRANSAL LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE SHAREHOLDERS OF TRANSAL LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Saffery Champness

Saffery Champness

**Chartered Accountants
Registered Auditors**

12 November 2009
.....

Lion House
Red Lion Street
London
WC1R 4GB

TRANSAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 \$	2008 \$
Administrative expenses		(94,565)	(178,615)
Operating loss	2	(94,565)	(178,615)
Other interest receivable and similar income		1	2
Interest payable and similar charges		(162)	(9)
Loss on ordinary activities before taxation		(94,726)	(178,622)
Tax on loss on ordinary activities	3	-	-
Loss for the year	7	(94,726)	(178,622)

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.

The notes on pages 7 to 12 form part of these financial statements.

TRANSAL LIMITED

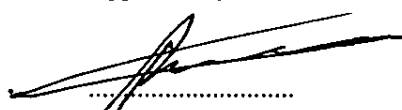
**BALANCE SHEET
AS AT 31 MARCH 2009**

	Notes	2009 \$	\$	2008 \$	\$
Fixed assets					
Investments	4		-		-
Current assets					
Cash at bank and in hand		2,289		2,333	
Creditors: amounts falling due within one year	5	<u>(956,136)</u>		<u>(861,454)</u>	
Total assets less current liabilities			<u>(953,847)</u>		<u>(859,121)</u>
Capital and reserves					
Called up share capital	6	11,475,400		11,475,400	
Profit and loss account	7	<u>(12,429,247)</u>		<u>(12,334,521)</u>	
Shareholders' funds	8	<u>(953,847)</u>		<u>(859,121)</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 7 to 12 form part of these financial statements.

Approved by the Board and authorised for issue on 12.11.2009


.....
Vladimir Erokhin
Director

TRANSAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The company trades in United States Dollars and therefore has chosen to prepare its accounts in that currency.

Going concern

The company is an intermediate holding company for the Transal group of companies whose principal activity is the development of an Aluminium smelting project in Australia. The project is currently on hold until late 2009 due to current aluminium prices and electricity costs in Australia. A similar Aluminium smelting project in Iceland still is on hold until the resumption of economic activities in Iceland after the recent financial crisis. As a result of the Aluminium projects being temporarily placed on hold, the Transal group of companies are now concentrating on mineral resources mining (metallurgical and thermal coal, nickel ore, copper).

As a result of the above, the company is dependent upon the continued support of its parent. The directors have received confirmation that this will be forthcoming for the foreseeable future and as such have continued to adopt the going concern basis.

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 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that result from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

TRANSAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

1 Accounting policies (continued)**1.6 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group financial statements.

2 Operating loss	2009	2008
	\$	\$
Operating loss is stated after charging:		
Investment provision	-	7,622
Loss on foreign exchange transactions	-	149
Auditors' remuneration	7,500	7,500
Directors' emoluments	52,930	60,154
and after crediting:		
Profit on foreign exchange transactions	20,089	-

TRANSAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

3 Taxation	2009	2008
	\$	\$
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(94,726)</u>	<u>(178,622)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008: 30.00%)	<u>(26,523)</u>	<u>(53,587)</u>
Effects of:		
Non deductible expenses	3,952	3,386
Tax losses not recognised	<u>22,571</u>	<u>50,201</u>
	<u>26,523</u>	<u>53,587</u>
Current tax charge	<u>-</u>	<u>-</u>

If provision were to be made for deferred taxation on the basis of the full potential liability, a deferred tax asset of \$599,000 (2008: \$580,000) would arise. This has not been recognised as future profits are uncertain.

The company has estimated losses of \$ 2,141,000 (2008: \$ 2,030,000) available for carry forward against future trading profits.

TRANSAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

4 Fixed asset investments

	Shares in group undertakings and participating interests \$
Cost	
At 1 April 2008 & at 31 March 2009	9,394,391
Provisions for diminution in value	
At 1 April 2008 & at 31 March 2009	9,394,391
Net book value	
At 31 March 2009	-
At 31 March 2008	-

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Transal Industries BV	Netherlands	Ordinary	98.00
Atlansal hf	Iceland	Ordinary	100.00
Sub-Cranes a.s.	Czech Republic	Ordinary	50.00
Grasneco Limited	Cyprus	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year 31 December 2008
	\$	\$
Transal Industries BV	5,333,539	(18,122)
Atlansal hf	(647,478)	(16,213)
Sub-Cranes a.s.	93,210	(850)
Grasneco Limited	(77,386)	(14,270)

TRANSAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

5	Creditors: amounts falling due within one year	2009	2008
		\$	\$
	Bank overdraft	193	5,684
	Amounts due to fellow group undertakings	938,213	842,641
	Other creditors	17,730	13,129
		<u>956,136</u>	<u>861,454</u>
6	Share capital	2009	2008
		\$	\$
	Authorised		
	100,000 Ordinary shares of £100 each	<u>14,517,890</u>	<u>14,517,890</u>
	Allotted, called up and fully paid		
	78,599 Ordinary shares of £100 each	<u>11,475,400</u>	<u>11,475,400</u>
7	Statement of movements on profit and loss account		Profit and loss account \$
	Balance at 1 April 2008		(12,334,521)
	Loss for the year		<u>(94,726)</u>
	Balance at 31 March 2009		<u>(12,429,247)</u>
8	Reconciliation of movements in shareholders' funds	2009	2008
		\$	\$
	Loss for the financial year	(94,726)	(178,622)
	Opening shareholders' funds	<u>(859,121)</u>	<u>(680,499)</u>
	Closing shareholders' funds	<u>(953,847)</u>	<u>(859,121)</u>

9 Control

The ultimate parent company is Transal Corporation, a company incorporated in the British Virgin Islands. Transal Corporation is controlled by Amon and Azam Aslanov.

TRANSAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009**

10 Related party transactions

The company has not traded with group companies although its operations are funded by advances from fellow group entities. Included within amounts due to group companies are the following: \$328,624 (2008: \$328,624) due to Transal Industries BV; and \$609,589 due to Transal Corporation (2008: \$514,017). No interest is charged on these loan amounts and they are unsecured.