

Company Registration No. 03124254 (England and Wales)

GASPEX GROUP LIMITED

(FORMERLY INSTANT START 11195 LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2001



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GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
COMPANY INFORMATION

Directors

Vladimir Erokhin
Amon Aslanov
Azam Aslanov
Alexander Ossetrov
Dimitri Ossetrov

Secretary

Robert Cohen

Company number

03124254

Registered office

37 Haven Green
Ealing
London
W5 2NX

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
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**GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2001**

The directors present their report and financial statements for the period ended 31 March 2001.

Principal activities

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

Change of name

On 3 March 2000 the company changed its name by special resolution from Instant Start 11195 Limited.

Directors

The following directors have held office since 1 December 1999:

Vladimir Erokhin	
Access Nominees Limited	(Resigned 3 March 2000)
Amon Aslanov	(Appointed 3 March 2000)
Azam Aslanov	(Appointed 3 March 2000)
Alexander Ossetrov	(Appointed 3 March 2000)
Dimitri Ossetrov	(Appointed 3 March 2000)

Directors' interests

None of the directors holding office at 1 December 1999 or 31 March 2001 had any beneficial interests in the shares of the company.

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

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.

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 MARCH 2001

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

On behalf of the board


Vladimir Erokhin

Director

22 January 2002

**GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF GASPEX GROUP LIMITED**

We have audited the financial statements of Gaspex Group Limited on pages 4 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness

Chartered Accountants
Registered Auditors

22 January 2002

Lion House
Red Lion Street
London
WC1R 4GB

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2001

		Period ended 31 March 2001 \$	Year ended 30 November 1999 \$
	Notes		
Administrative expenses		(427,209)	-
Operating loss	2	(427,209)	-
Other interest receivable and similar income		7,530	-
Loss on ordinary activities before taxation		(419,679)	-
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	9	(419,679)	-

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 6 to 9 form part of these financial statements.

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
BALANCE SHEET
AS AT 31 MARCH 2001

	Notes	31 March 2001 \$	\$	30 November 1999 \$	\$
Fixed assets					
Investments	4	9,424,391		-	
Current assets					
Debtors	5	1,623,010		3	
Cash at bank and in hand		16,731		-	
		<u>1,639,741</u>		<u>3</u>	
Creditors: amounts falling due within one year	6	<u>(8,411)</u>		<u>-</u>	
Net current assets		<u>1,631,330</u>		<u>3</u>	
Total assets less current liabilities		<u>11,055,721</u>		<u>3</u>	
Capital and reserves					
Called up share capital	8	11,475,400		3	
Profit and loss account	9	(419,679)		-	
Shareholders' funds - equity interests	10	<u>11,055,721</u>		<u>3</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 6 to 9 form part of these financial statements.

The financial statements were approved by the Board on 22 January 2002

Vladimir Erokhin
Director

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Investments

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

1.3 Pensions

Payments are made into a director's personal pension plan on a defined contribution basis.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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.

1.6 Reporting Currency

The company has adopted the US dollar as its reporting currency.

2 Operating loss	2001	1999
	\$	\$
Operating loss is stated after charging:		
Auditors' remuneration	3,500	-
Directors' emoluments	180,134	-
	<u> </u>	<u> </u>

3 Taxation

No taxation charge arises on the loss for the period.

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2001

4 Fixed asset investments

	Shares in group undertakings and participating interests \$
Cost	
At 1 December 1999	-
Additions	9,424,391
	<u>9,424,391</u>
At 31 March 2001	<u>9,424,391</u>

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			
Fondel Industries B.V. (formerly Restat B.V.)	Holland	Ordinary	98
Russian National Aluminium-Magnesium Institute	Russia	Ordinary	20
Russian National Aluminium-Magnesium Institute		-	-

The company paid \$8,874,391 (€9,800,542) for the investment in Fondel Industries B.V. Fondel Industries B.V. had not yet commenced to trade at 31 March 2001.

The company paid \$550,000 for 20% of the voting rights in the Russian National Aluminium-Magnesium Institute. The transfer of ownership is dependent on Gaspex Group Limited undertaking an investment program of \$3.3 million over the next 3 years.

5 Debtors	2001 \$	1999 \$
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,623,010	-
Other debtors	-	3
	<u>1,623,010</u>	<u>3</u>

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2001

6 Creditors: amounts falling due within one year	2001	1999
	\$	\$
Other creditors	<u>8,411</u>	<u>-</u>

7 Pension costs

During the year the company made payments into a director's personal pension plan amounting to £20,370 (1999- £-).

8 Share capital	2001	1999
	\$	\$
Authorised		
100,000 Ordinary shares of £100 each	14,517,980	-
1,000 Ordinary shares of £1 each	<u>-</u>	<u>1,593</u>
	<u>14,517,980</u>	<u>1,593</u>
 Allotted, called up and fully paid		
78,599 Ordinary shares of £100 each	11,475,400	-
2 Ordinary shares of £1 each	<u>-</u>	<u>3</u>
	<u>11,475,400</u>	<u>3</u>

9 Statement of movements on profit and loss account

	Profit and loss account
	\$
Retained loss for the period	<u>(419,679)</u>

GASPEX GROUP LIMITED
(FORMERLY INSTANT START 11195 LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2001

10 Reconciliation of movements in shareholders' funds	2001	1999
	\$	\$
Loss for the financial period	(419,679)	-
Proceeds from issue of shares	11,475,400	-
	<u> </u>	<u> </u>
Net addition to shareholders' funds	11,055,721	-
Opening shareholders' funds	3	3
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>11,055,721</u>	<u>3</u>

11 Control

The ultimate parent company and controlling party of the company is TISCO SA, a company incorporated in the Bahamas.