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DUMISS TRADE LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 1998



Saffery Champness
CHARTERED ACCOUNTANTS

DUMISS TRADE LIMITED

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998

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COMPANY INFORMATION

DIRECTORS

A Ciric - Managing Director
M Mamula

SECRETARY

C P S Services Limited

REGISTERED OFFICE

16 Berkeley Street
London
W1X 5AE

REGISTERED NUMBER

2788839

AUDITORS

Saffery Champness
Fairfax House
Fulwood Place
Gray's Inn
London
WC1V 6UB

BANKERS

Royal Bank of Scotland plc
9 Pall Mall
London
SW1Y 5LX

DIRECTORS' REPORT

The directors submit their report and the financial statements of Dumiss Trade Limited for the year ended 31 March 1998.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, was £77,700.

The directors do not recommend the payment of a dividend for this year, leaving the profit to be transferred to reserves.

REVIEW OF THE BUSINESS

The company's principal activity during the year was that of commodity traders. The result was considered to be satisfactory and the directors are confident that the company will continue to trade profitably.

DIRECTORS

The directors who have held office since 1 April 1997 are shown on page 1.

DIRECTORS' INTERESTS

The directors of the company who held office at 31 March 1998 had no beneficial interests in the shares of the company. Mrs M Mamula had an interest in 12,000 US\$1 shares in the ultimate parent undertaking at 1 April 1997 and 31 March 1998.

DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

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 and to 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.

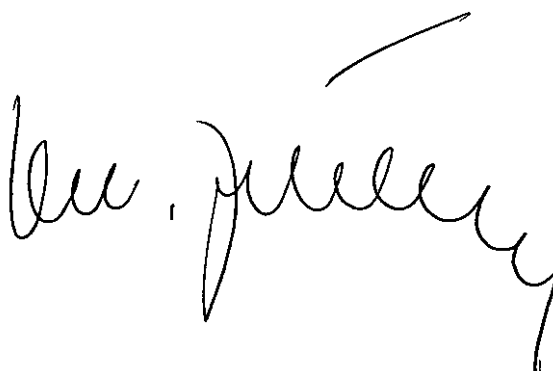
AUDITORS

The company has dispensed with the obligation to appoint auditors annually and Saffery Champness will continue in office.

On behalf of the board

A Ciric
Director

29.01. 1999



REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described in the directors' report on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 affairs of the company as at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants

Registered Auditors

London

29 January 1999

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1998

	Notes	1998	1997
TURNOVER	1	12,841,515	8,538,209
Cost of sales		12,631,968	8,346,771
GROSS PROFIT		209,547	191,438
Other operating expenses		156,613	130,344
OPERATING PROFIT		52,934	61,094
Interest receivable		48,224	41,123
Interest payable	2	(710)	(1,232)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	100,448	100,985
Tax on profit on ordinary activities	6	(22,748)	(26,000)
PROFIT FOR THE FINANCIAL YEAR		<u>£77,700</u>	<u>£74,985</u>

The company has no recognised gains or losses other than the results for these two financial years.

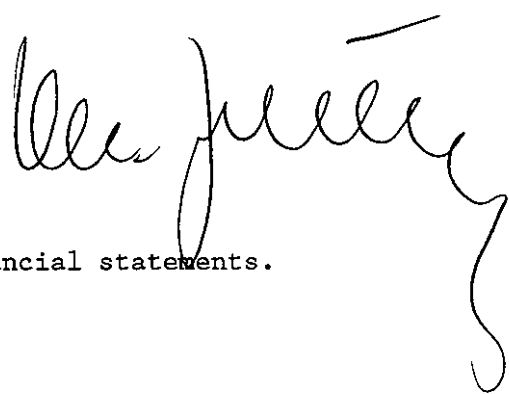
The notes on pages 6 to 10 form part of these financial statements.

BALANCE SHEET
31 March 1998

	Notes	1998	1997
FIXED ASSETS			
Tangible assets	7	2,025	4,086
CURRENT ASSETS			
Stock	8	148,226	4,361,850
Debtors	9	446,201	30,446
Cash at bank and in hand		358,121	791,512
		<u>952,548</u>	<u>5,183,808</u>
CREDITORS			
Amounts falling due within one year	10	<u>173,467</u>	<u>4,484,488</u>
NET CURRENT ASSETS		<u>779,081</u>	<u>699,320</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£781,106</u>	<u>£703,406</u>
CAPITAL AND RESERVES			
Called up share capital	11	500,000	500,000
Profit and loss account	12	<u>281,106</u>	<u>203,406</u>
EQUITY AND NON-EQUITY SHAREHOLDERS' FUNDS	13	<u>£781,106</u>	<u>£703,406</u>

Approved by the board on 29.01. 1999

Director



The notes on pages 6 to 10 form part of these financial statements.

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover represents the invoiced amounts of goods sold net of Value Added Tax.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Office furniture and equipment	- over 5 years
Computer equipment	- over 3 years

STOCKS

Stocks are valued at the lower of cost and net realisable value. Provisions are made when necessary to reduce the costs of stocks to net realisable value.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

OPERATING LEASES

Annual rentals of land and buildings are charged to the profit and loss account on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1998

1 TURNOVER

The whole of the company's results relate to continuing operations.

2 INTEREST PAYABLE

	1998	1997
On bank loans, overdrafts and other loans	641	1,232
Other interest payable	69	-
	<u>£710</u>	<u>£1,232</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998	1997
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	£2,061	£2,061
Auditors' remuneration	£2,000	£2,000
Gain on exchange	£(66,931)	£(36,435)
	<u>£(62,870)</u>	<u>£(36,374)</u>

4 EMPLOYEES

	1998	1997
The average weekly number of persons (including directors) employed by the company during the year was:	Number	Number
Office and management	3	3
	=	=
Staff costs (for the above persons):		
Wages and salaries	83,175	70,562
Social security costs	8,318	7,197
	<u>£91,493</u>	<u>£77,759</u>

5 DIRECTORS' EMOLUMENTS

	1998	1997
The aggregate amounts of emoluments as directors of the company were	<u>£58,929</u>	<u>£49,132</u>

No company pension contributions were paid.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 1998

6 TAXATION

	1998	1997
UK Corporation tax at 21% (1997: 24%) on the profit for the year:		
Current	<u>£22,748</u>	<u>£26,000</u>

7 TANGIBLE FIXED ASSETS

	Office Furniture and Equipment	Computer Equipment	Total
Cost:			
1 April 1997 and 31 March 1998	<u>9,685</u>	<u>2,127</u>	<u>11,812</u>
Depreciation:			
1 April 1997	5,763	1,963	7,726
Charge for the year	<u>1,937</u>	<u>124</u>	<u>2,061</u>
31 March 1998	<u>7,700</u>	<u>2,087</u>	<u>9,787</u>
Net book value			
31 March 1998	<u>£1,985</u>	<u>£40</u>	<u>£2,025</u>
Net book value			
31 March 1997	<u>£3,922</u>	<u>£164</u>	<u>£4,086</u>

8 STOCKS

	1998	1997
Goods for resale	<u>£148,226</u>	<u>£4,361,850</u>

9 DEBTORS

	1998	1997
Due within one year:		
Trade debtors	156,271	-
Other debtors	281,397	23,708
Prepayments and accrued income	<u>8,533</u>	<u>6,738</u>
	<u>£446,201</u>	<u>£30,446</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 1998

10 CREDITORS

	1998	1997
Amounts falling due within one year:		
Payments received on account	-	1,691,614
Trade creditors	138,484	67,101
Corporation tax	22,748	26,000
Other taxation and social security costs	5,034	2,139
Other creditors	-	2,679,662
Accruals and deferred income	7,201	17,972
	<u>£173,467</u>	<u>£4,484,488</u>

11 SHARE CAPITAL

	1998	1997
Authorised:		
2 Ordinary shares of £1 each	2	2
499,998 redeemable preference shares of 1 each	499,998	499,998
	<u>£500,000</u>	<u>£500,000</u>
Allotted, called up and fully paid:		
Equity:		
2 Ordinary shares of £1 each	2	2
Non-equity:		
499,998 redeemable preference shares of 1 each	499,998	499,998
	<u>£500,000</u>	<u>£500,000</u>

The redeemable preference shares may be redeemed at par at any time, in whole or in part, at the option of the company, but in any event not later than 1 May 1999 other than at the option of any relevant redeemable preference shareholder.

On a return of the company's assets to the shareholders the assets are to be applied first in repaying the holders of the redeemable preference shares. They will however have no further right to participate in the assets of the company.

12 PROFIT AND LOSS ACCOUNT

	1998	1997
1 April 1997	203,406	128,421
Retained profit for the year	77,700	74,985
31 March 1998	<u>£281,106</u>	<u>£203,406</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 1998

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
Profit for the financial year	77,700	74,985
Opening shareholders' funds	703,406	628,421
Closing shareholders' funds	<u>£781,106</u>	<u>£703,406</u>
Non-equity shareholders' funds	499,998	499,998
Equity shareholders' funds	<u>281,108</u>	<u>203,408</u>
	<u>£781,106</u>	<u>£703,406</u>

14 ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Promix Limited, a company incorporated in Liberia.