

2788839

Registrar

DUMISS TRADE LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 1997

Saffery Champness

CHARTERED ACCOUNTANTS



DUMISS TRADE LIMITED

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1997

CONTENTS

Page

1	Company Information
2	Directors' Report
3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6	Accounting Policies
7	Notes to the Financial Statements

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 1997.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, was £74,985.

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 1996 are shown on page 1.

DIRECTORS' INTERESTS

The directors of the company who held office at 31 March 1997 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 1996 and 31 March 1997.

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.

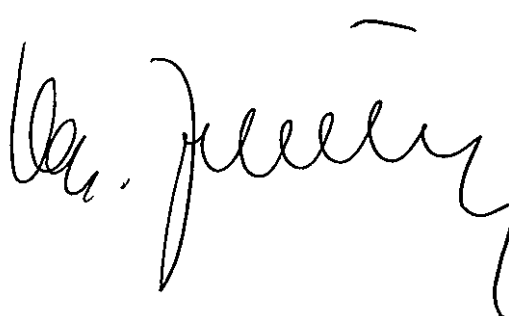
AUDITORS

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

29.12.1997



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 1997 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

28 January 1998

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1997

	Notes	1997	1996
TURNOVER	1	8,538,209	12,439,247
Cost of sales		8,346,771	12,135,558
GROSS PROFIT		191,438	303,689
Other operating expenses		130,344	173,515
OPERATING PROFIT		61,094	130,174
Interest receivable		41,123	24,382
Interest payable	2	(1,232)	(22)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	100,985	154,534
Tax on profit on ordinary activities	6	(26,000)	(42,063)
PROFIT FOR THE FINANCIAL YEAR		<u>£74,985</u>	<u>£112,471</u>

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

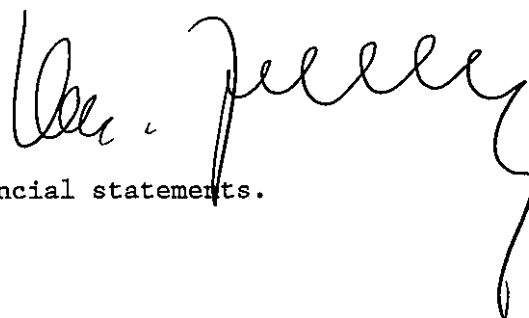
The notes on pages 6 to 10 form part of these financial statements.

BALANCE SHEET
31 March 1997

	Notes	1997	1996
FIXED ASSETS			
Tangible assets	7	4,086	3,837
CURRENT ASSETS			
Stock	8	4,361,850	-
Debtors	9	30,446	1,082,736
Cash at bank and in hand		791,512	714,669
		<u>5,183,808</u>	<u>1,797,405</u>
CREDITORS			
Amounts falling due within one year	10	4,484,488	1,172,821
NET CURRENT ASSETS		<u>699,320</u>	<u>624,584</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£703,406</u>	<u>£628,421</u>
CAPITAL AND RESERVES			
Called up share capital	11	500,000	500,000
Profit and loss account	12	203,406	128,421
EQUITY AND NON-EQUITY SHAREHOLDERS' FUNDS	13	<u>£703,406</u>	<u>£628,421</u>

Approved by the board on 29.12.1997

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 1997

1 TURNOVER

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

2 INTEREST PAYABLE

	1997	1996
On bank loans, overdrafts and other loans	<u>£1,232</u>	<u>£22</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997	1996
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	£2,061	£2,168
Auditors' remuneration	£2,000	£2,000
Gain on exchange	<u>£(36,435)</u>	<u>£(17,237)</u>

4 EMPLOYEES

	1997	1996
The average weekly number of persons (including directors) employed by the company during the year was:	Number	Number
Office and management	<u>3</u>	<u>3</u>
Staff costs (for the above persons):		
Wages and salaries	70,562	67,346
Social security costs	<u>7,197</u>	<u>6,869</u>
	<u>£77,759</u>	<u>£74,215</u>

5 DIRECTORS' EMOLUMENTS

	1997	1996
The aggregate amounts of emoluments as directors of the company were	<u>£49,132</u>	<u>£45,386</u>

No company pension contributions were paid.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 1997

6 TAXATION

	1997	1996
UK Corporation tax at 24% (1996: 25%) on the profit for the year:		
Current	26,000	41,502
Adjustment in respect of prior years	-	561
	<u>£26,000</u>	<u>£42,063</u>

7 TANGIBLE FIXED ASSETS

	Office Furniture and Equipment	Computer Equipment	Total
Cost:			
1 April 1996	7,495	2,007	9,502
Additions	2,190	120	2,310
31 March 1997	<u>9,685</u>	<u>2,127</u>	<u>11,812</u>
Depreciation:			
1 April 1996	3,826	1,839	5,665
Charge for the year	1,937	124	2,061
31 March 1997	<u>5,763</u>	<u>1,963</u>	<u>7,726</u>
Net book value 31 March 1997	<u>£3,922</u>	<u>£164</u>	<u>£4,086</u>
Net book value 31 March 1996	<u>£3,669</u>	<u>£168</u>	<u>£3,837</u>

8 STOCKS

	1997	1996
Goods for resale	<u>£4,361,850</u>	<u>£-</u>

9 DEBTORS

	1997	1996
Due within one year:		
Trade debtors	-	1,026,507
Other debtors	23,708	7,273
Prepayments and accrued income	6,738	48,956
	<u>£30,446</u>	<u>£1,082,736</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 1997

10 CREDITORS

	1997	1996
Amounts falling due within one year:		
Payments received on account	1,691,614	-
Trade creditors	67,101	1,004,790
Amounts owed to associated undertakings	-	111,732
Corporation tax	26,000	41,502
Other taxation and social security costs	2,139	2,857
Other creditors	2,679,662	1,300
Accruals and deferred income	17,972	10,640
	<u>£4,484,488</u>	<u>£1,172,821</u>

11 SHARE CAPITAL

	1997	1996
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

	1997	1996
1 April 1996	128,421	15,950
Retained profit for the year	74,985	112,471
31 March 1997	<u>£203,406</u>	<u>£128,421</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 1997

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
Profit for the financial year	74,985	112,471
Opening shareholders' funds	628,421	515,950
Closing shareholders' funds	<u>£703,406</u>	<u>£628,421</u>
Non-equity shareholders' funds	499,998	499,998
Equity shareholders' funds	203,408	128,423
	<u>£703,406</u>	<u>£628,421</u>

14 ULTIMATE PARENT UNDERTAKING

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