

M & N Sheth Limited

Authorised Public Accountant & Registered Auditor

VINCOM COMMODITIES LIMITED

Company Number 5060421

ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

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VINCOM COMMODITIES LIMITED

**ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007**

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VINCOM COMMODITIES LIMITED

**ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007**

DIRECTORS

Mr Anil Kumar
Mr Mark Chapman – Appointed on 1 4 2006

SECRETARY

Mr Anil Kumar

REGISTERED OFFICE

84 Carr Road
Northolt
Middlesex
UB5 4RD

COMPANY NUMBER

5060421

AUDITORS

M & N Sheth Ltd
Authorised Public Accountant
and Registered Auditor
84 Carr Road
Northolt
Middlesex
UB5 4RD

SOLICITORS

Beachcraft Wansbroghs
100 Fetter Lane
London EC4A 1BN

VINCOM COMMODITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The directors present their annual report along with financial statements for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

The principal activity of the company is that of buying and selling metals. The Company is not a member of any regulating organisations and has not undertaken any future trading.

REVIEW OF BUSINESS

The turnover and purchases of metals during the year amounted to £15,447,939 and £15,246,893 respectively.

The commission based turnover and purchases of metals and ceramic products during the year amounted to £6,462,330 and £6,035,815 respectively. In accordance with normal trade practice, debtors were instructed to make direct payment to creditors amounting to £6,035,815. This procedure is adopted by the company in order to save financing charges in view of low profit margins earned.

The company is constantly renewing its financial risk policies to ensure all risk associated to it are minimised. The company does not engage in complex financial instruments.

The directors consider the results for the year and the state of affairs of the company to be satisfactory.

The company has since increased its Paid up Share Capital to 1,500,000 Ordinary Shares of £1 each.

RESULT AND DIVIDENDS

The results for the year ended 31 March 2007 are set out on page 5. The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were as follows:

Anil Kumar

Mark Chapman (Appointed on 14/2006)

As disclosed in the register of directors' interests, none of the directors have any beneficial interest in the shares of the company.

FIXED ASSETS

The company has no tangible or intangible assets.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies, as described on page 8, and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the director is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

M & N Sheth Ltd appointed as an auditor of the company on 22 February 2008 and a resolution to reappoint them for the forthcoming year will be proposed at the next Annual General Meeting in accordance with company Act 1985.

Approved by the Board of Directors on 3 March 2008 and signed on its behalf by

Anil Kumar
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VINCOM COMMODITIES LIMITED

FOR THE YEAR ENDED 31 MARCH 2007

We have audited the financial statements of Vincom Commodities Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, Cash Flow Statement and the related notes on page 5 - 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditor's 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and whether the information given in the Director's Report is consistent with the financial statements. We also 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 director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we became aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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.

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 2007 and of its (loss) for the year then ended, and have been properly prepared in accordance with the Companies Act 1985
- The information given in the Director's Report is consistent with the financial statements


M & N Sheth Ltd
Authorised Public Accountant
and Registered Auditor
84 Carr Road
Northolt
Middlesex
UB5 4RD

Dated, 03 March 2008

VINCOM COMMODITIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

	<u>Note</u>	2007 £	2006 £
TURNOVER	2	21,910,269	17,590,914
Cost of Sales		<u>(21,282,708)</u>	<u>(17,152,359)</u>
GROSS PROFIT		627,561	438,555
Administrative Expenses		<u>(245,040)</u>	<u>(311,644)</u>
OPERATING PROFIT	3	382,521	126,911
Interest Receivable and Similar Income	4	<u>5,857</u>	<u>2,871</u>
		388,378	129,782
Interest payable and similar Charges	5	<u>(400,746)</u>	<u>(145,998)</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(12,368)	(16,216)
Tax on Profit on Ordinary Activities	6	<u>NIL</u>	<u>Nil</u>
(LOSS) FOR THE FINANCIAL YEAR	10	<u>(12,368)</u>	<u>(16,216)</u>

All of the activities of the company are classed as continuing

There are no recognised gains or losses other than those dealt with in the profit and loss account

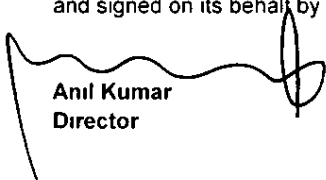
The attached notes form an integral part of the financial statements

VINCOM COMMODITIES LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2007**

	<u>Note</u>		2007 £	2006 £
CURRENT ASSETS				
Debtors	7	6,052,429	4,824,742	
Cash on Hand and at Bank		<u>2,350</u>	<u>1,100</u>	
		6,054,779	4,825,842	
CREDITORS Amounts falling due within one year	8	<u>(5,258,363)</u>	<u>(4,017,058)</u>	
NET CURRENT ASSETS			<u>796,416</u>	<u>808,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			796,416	808,784
CREDITORS Amounts falling due After more than one year			<u>Nil</u>	<u>Nil</u>
NET ASSETS			<u>796,416</u>	<u>808,784</u>
Represented by,				
CAPITAL AND RESERVES				
Called-up equity share capital	9		825,000	825,000
Profit and Loss Account	10		<u>(28,584)</u>	<u>(16,216)</u>
SHAREHOLDERS FUNDS	11		<u>796,416</u>	<u>808,784</u>

The financial statements were approved by the board on October 2007 and signed on its behalf by


Anil Kumar
Director

The attached notes form an integral part of the financial statements

VINCOM COMMODITIES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £ 000	2006 £ 000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	14	(1,106)	(2,445)
Returns on investments and servicing of finance			
Interest paid	(401)		(146)
Interest received	<u>6</u>	<u>(395)</u>	<u>3</u>
CASH OUTFLOW BEFORE FINANCING		(1,501)	(2,588)
Financing			
Issue of equity share capital		<u>Nil</u>	<u>275</u>
(Decrease) in cash	15	<u>(1,501)</u>	<u>(2,313)</u>

VINCOM COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention

1.2 Turnover

Turnover represents the total invoice value of exports made during the year

1.3 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the average rate prevailing during the year. All exchange differences are taken to the profit and loss account

1.4 Consolidation

The company was at the end of the year, is wholly - owned subsidiary of another company incorporated outside the EEA and in accordance with Section 228A of the Companies Act 1985, is not required to produce and has not published, consolidated accounts

1.5 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments. An equity instrument in any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

	2007 £		2006 £	
2 TURNOVER	Direct Exports	Commission Based Exports	Direct Exports	Commission Based Exports
Asia	12,497,209	548,845	9,623,607	352,237
Far East	2,950,730	5,513,295	3,091,860	4,002,092
Eastern Europe	-	400,190	-	521,118
	<u>15,447,939</u>	<u>6,462,330</u>	<u>12,715,467</u>	<u>4,875,447</u>
3 OPERATING PROFIT				
The operating profit is stated after charging,				
Emoluments				
Net gain on foreign currency		32,475		22,057
Auditors' remuneration		<u>6,000</u>		<u>5,500</u>
No salaries or wages have been paid to employees including the director, during the year				
4 INTEREST RECEIVABLE AND SIMILAR INCOME				
On Bank Deposits		<u>5,857</u>		<u>2,871</u>
5 INTEREST PAYABLE AND SIMILAR CHARGES				
On bank overdrafts		342,204		117,428
Others - Imports/Exports LC Charges and Bank Commission		<u>58,542</u>		<u>28,570</u>
		<u>400,746</u>		<u>145,998</u>
6 TAX ON (LOSS) ON ORDINARY ACTIVITIES				
The company has no corporation tax liability because of trading loss		<u>Nil</u>		<u>Nil</u>
7 DEBTORS				
Amounts falling due within one year				
Trade debtors		6,052,079		4,056,315
Amounts owed by associated undertakings		Nil		768,427
Due from HMC&E (VAT Refund)		<u>350</u>		<u>Nil</u>
		<u>6,052,429</u>		<u>4,824,742</u>

The total amounts owed by associated companies and trade debtors is £6,052,079. The amounts are free of interest and repayable on demand. The directors have no reason to believe that amounts are not recoverable. They have therefore been included in the financial statements accordingly. However in the unlikely event that the amounts cannot be repaid a provision of a minimum of £ 6,052,079 would be required reducing profit and net assets by this amount.

VINCOM COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007 - Contd

8 CREDITORS	2007	2006
Amounts falling due within one year	£	£
Bank Overdraft	3,815,761	2,313,642
Trade Creditors	1,420,537	1,661,018
Due to associated undertakings	NIL	31,333
Directors' current account	100	100
Accruals	21,965	10,965
	<u>5,258,363</u>	<u>4,017,058</u>

Bank Overdrafts and Letters of Credit Facilities are secured against unlimited charge over company's credit balances, Director's personal guarantee of 1 Million USD and debenture created over fixed and floating assets of the company

9 SHARE CAPITAL	2007	2006
Authorised share capital	£	£
1,099,000 Ordinary shares of £1 each	1,099,000	1,099,000
Allotted, called up and fully paid		
825,000 Ordinary shares of £1 each	<u>825,000</u>	<u>825,000</u>

10 PROFIT AND LOSS ACCOUNT		
Balance brought forward	(16,216)	(16,216)
Loss for the financial year	(12,368)	NIL
Balance carried forward	<u>(28,584)</u>	<u>(16,216)</u>

11 RECONCILIATION OF MOVEMENTS IN ASSOCIATED FUNDS		
Loss for the financial year	(12,368)	(16,216)
New ordinary share capital subscribed	NIL	275,000
	(12,368)	258,784
Opening share holders funds	<u>808,784</u>	<u>550,000</u>
Closing share holders funds	<u>796,416</u>	<u>808,784</u>

12 RELATED PARTY TRANSACTIONS		
At the year end, there were amounts due from/(to) the parent company - Gasbal Holdings NV and its associates as follows	2007	2006
	£	£
Donald McCarthy Trading (Pvt) Ltd	NIL	24,127
Rankon Plc	NIL	(7,206)
Gasbal Holdings NV	NIL	768,427

13 ULTIMATE HOLDING COMPANY	
The ultimate holding company is Gasbal Holdings NV a company incorporated in the Netherlands Antilles. The accounts are not generally available to the public	

14 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2007	2006
	£ '000	£ '000
Operating profit	383	127
Increase in debtors	(1,228)	(4,275)
Decrease in creditors	(261)	1,703
Net cash (outflow)/inflow from operating activities	<u>(1,106)</u>	<u>(2,445)</u>

15 NOTES TO THE CASH FLOW STATEMENT	At 1 April 2006	Cashflow	At 31 March 2007
(a) Analysis of changes in net debt	£ 000	£ 000	£ 000
Cash in hand and at Bank	1	1	2
Overdrafts	<u>(2,314)</u>	<u>(1,502)</u>	<u>(3,816)</u>
	<u>(2,313)</u>	<u>(1,501)</u>	<u>(3,814)</u>
(b) Reconciliation of net cash flow to movement in net debt		2007	2006
		£	£
Decrease/increase in cash in the period		<u>(1,501)</u>	<u>(2,313)</u>
Movement in net debt in the period		(1,501)	(2,313)
Net Debt at 1 April 2006		<u>(2,313)</u>	NIL
Net Debt at 31 March 2007		<u>(3,814)</u>	<u>(2,313)</u>

16 CONTINGENT LIABILITY	
At 31 March 2007, there were no contingent liabilities	

VINCOM COMMODITIES LIMITED

**MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2007**

The following pages do not form part of the statutory statements which are the subject
of the independant auditor's report on page 4

VINCOM COMMODITIES LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

		2007		2006
		£		£
TURNOVER				
Direct Exports	15,447,939		12,715,467	
Commission Based Exports	<u>6,462,330</u>	21,910,269	<u>4,875,447</u>	17,590,914
Cost of Sales				
Direct Imports	15,246,893		12,568,139	
Commission Based Imports	<u>6,035,815</u>	<u>(21,282,708)</u>	<u>4,584,220</u>	<u>(17,152,359)</u>
GROSS PROFIT		627,561		438,555
ADMINISTRATIVE EXPENSES				
Management Fees	104,000		144,000	
Rent, Building Insurance	60,358		60,287	
Light and Heat	4,293		5,703	
Sales Commission	15,105		17,588	
Agency Commission	30,665		37,690	
Foreign Travel	13,193		15,444	
Postage and Telephone	8,002		9,191	
Printing and Stationery	4,580		5,767	
insurance	5,028		6,010	
Subscriptions	3,220		3,715	
Courier costs	2,832		2,859	
Conference, seminars	7,150		7,736	
Advertising	2,767		2,801	
Office Supplies	3,319		3,209	
Office Expenses	1,964		2,175	
Accounting & Book Keeping	5,000		4,000	
Audit and Accountancy	6,000		5,500	
General Expenses	39		26	
Foreign Currency Exchange Gain(Net)	<u>(32,475)</u>	<u>(245,040)</u>	<u>(22,057)</u>	<u>(311,644)</u>
OPERATING PROFIT		382,521		126,911
Interest and similar income		<u>5,857</u>		<u>2,871</u>
		388,378		129,782
Interest payable and similar charges		<u>(400,746)</u>		<u>(145,998)</u>
(LOSS) ON ORDINARY ACTIVITIES		(12,368)		(16,216)
Tax on Profit on Ordinary Activities		<u>Nil</u>		<u>Nil</u>
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(12,368)		(16,216)