

# **Howe Robinson and Company Limited**

**Company No. 1195130**

**Financial Statements**

**For the year ended**

**31 March 2006**



# **Howe Robinson and Company Limited**

## **Company Information**

### **Directors**

P.B. Kerr-Dineen  
D.M. Lewis  
J.E. Kerr  
N.B.F. Hubbard  
G.C.B. Hindley  
G.R. Hulse  
P.N.B. Hobson  
N.J. Bowden  
G.C. Li  
D.H. Buxton

### **Secretary**

R.A. Wood

### **Registered Office**

77 Mansell Street  
London  
E1 8AF

### **Auditors**

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Howe Robinson and Company Limited

## Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2006.

### Principal activities and review of the business

The principal activity of the company throughout the year was a ship chartering business and broking business specialising in the dry cargo market, operating from London, Hong Kong, Shanghai, Tokyo, Dublin, Hamburg and Piraeus.

The company continues to consolidate and develop its existing activities within the constraints of the ever-changing market place.

A full review of the company's activities is given in the directors' report and joint Chairmen's statement of the parent company, Howe Robinson Group Limited.

### Results and dividends

The results for the year are set out in the profit and loss account on page 4. The profit after taxation amounted to £908,784 (2005 - £3,128,099) which is available for distribution. The directors have declared a dividend of £3,258,363 (2005 - £1,788,858) payable to the parent company, Howe Robinson Group Limited, for the year ended 31st March 2006 being £65.17 per ordinary share (2005 - £35.78).

### Directors

Except where indicated, the following directors have held office since 1 April 2005:

P.B. Kerr-Dineen

D.M. Lewis

J.E. Kerr

N.B.F. Hubbard

G.C.B. Hindley

G.R. Hulse

P.N.B. Hobson

N.J. Bowden

G.C. Li

D.H. Buxton

(Appointed 10 May 2005)

### Directors' interests

None of the directors had any interest as defined by Section 324 of the Companies Act 1985 in the shares of the company. Their interests in the share capital of the holding company, Howe Robinson Group Limited, are disclosed in the Directors' Report of that company.

### Statement of directors' responsibilities

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

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 prepare the financial statements on a going concern basis unless it is inappropriate to assume 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.

### Charitable donations

Charitable donations charged in these accounts amounted to £35,340 (2005 - £53,802).

# Howe Robinson and Company Limited

## Report of the Directors (continued)

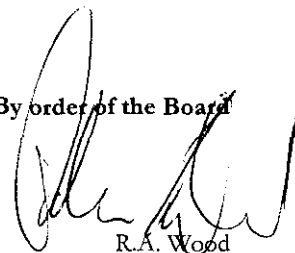
### Auditors

On 1st May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

### Disclosure of information to auditors

So far as the directors' are aware, there is no relevant audit information of which the company's auditors are unaware. The directors' have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



R.A. Wood  
Secretary

77 Mansell Street

London  
E1 8AF

Date: 18 August 2006

# Howe Robinson and Company Limited

## Report of the Auditors

### Independent Auditors' Report to the Shareholders of Howe Robinson And Company Limited

We have audited the financial statements of Howe Robinson and Company Limited for the year ended 31 March 2006 which comprise of the Profit & Loss Account, the Balance Sheet and the related notes. 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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 the directors and auditors

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 & 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 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 other transactions is not disclosed.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & 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 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and that the information given in the directors' report is consistent with the financial statements.

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 31 August 2006

*Kingston Smith LLP*  
Kingston Smith LLP  
Chartered Accountants  
and Registered Auditors

**Howe Robinson and Company Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2006**

	Notes	2006 £	2005 £
<b>Turnover</b>	2	23,881,942	22,283,818
Administrative expenses		(22,501,815)	(17,623,968)
<b>Operating profit</b>	3	1,380,127	4,659,850
Investment income	6	73,845	8,745
<b>Profit on ordinary activities before taxation</b>		1,453,972	4,668,595
Taxation	7	(545,188)	(1,540,496)
<b>Profit on ordinary activities after taxation</b>		908,784	3,128,099

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those included in the Profit and Loss Account above.

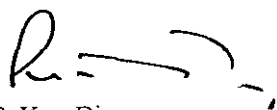
Notes 1 to 16 form an integral part of these financial statements.

# Howe Robinson and Company Limited

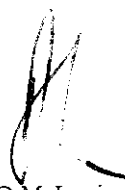
## Balance Sheet As at 31 March 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed Assets</b>					
Tangible assets	9		429,997		148,535
Investments	10		37,300		18,550
			<u>467,297</u>		<u>167,085</u>
<b>Current Assets</b>					
Debtors	11	5,187,429		14,776,628	
Cash at bank and in hand		21,715,538		2,949,839	
		<u>26,902,967</u>		<u>17,726,467</u>	
<b>Creditors: Amounts falling due within one year</b>	12	(27,320,264)		(15,493,973)	
<b>Net Current (Liabilities)/Assets</b>			<u>(417,297)</u>		<u>2,232,494</u>
<b>Total Assets Less Current Liabilities</b>			50,000		2,399,579
			<u>50,000</u>		<u>2,399,579</u>
<b>Capital and Reserves</b>					
Called up share capital	13		50,000		50,000
Other reserves	14		-		2,349,579
<b>Shareholders' Funds - Equity Interests</b>			<u>50,000</u>		<u>2,399,579</u>

Approved by the Board on 18 August 2006



P.B. Kerr-Dineen  
Director



D.M. Lewis  
Director

Notes 1 to 16 form an integral part of these financial statements.

# Howe Robinson and Company Limited

## Notes to the Financial Statements

### For the year ended 31 March 2006

#### 1 Accounting Policies

##### a) Accounting basis and standards

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

##### b) Investments

Fixed asset investments are stated at cost less amounts written off. Amounts are written off when in the opinion of the directors there has been a permanent impairment in value. Income from investments is included, net of related tax credits, in the profit and loss account in the accounting period in which it is received.

##### c) Depreciation

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

Land and buildings leasehold	Over the life of the lease
Computer & other office equipment	33% per annum
Motor vehicles	25% per annum
Furniture, fixtures & fittings	20% per annum

##### d) Turnover

Turnover is recognised when and to the extent that income has been earned.

##### e) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of material timing differences between the incidence of income and expenditure for taxation and accounting purposes, whether or not the directors consider the liability will crystallise.

##### f) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Amounts relating to assets and liabilities in foreign currencies at the balance sheet date are expressed in sterling at the rates ruling at the year end, taking into account forward contracts written at fixed rates.

##### g) Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### h) Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

##### i) Dividends

Dividends are charged in the financial statements to the extent that a present obligation exists at the Balance Sheet date.

#### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity.



**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

<b>3 Operating Profit</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets:		
Owned assets	161,261	96,863
Operating lease rentals	567,009	373,169
Auditors' remuneration	38,100	33,200
and after crediting:		
Profit on disposal of tangible assets	(14,800)	(14,696)
	<u>                    </u>	<u>                    </u>

**4 Employee Information**

The average number of employees (including directors) during the year was:

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Brokers	66	54
Administration	33	29
	<u>                    </u>	<u>                    </u>
	99	83
	<u>                    </u>	<u>                    </u>

The total remuneration was:

	<b>£</b>	<b>£</b>
Wages and salaries	16,398,039	12,592,176
Social security costs	1,561,137	1,133,401
Contributions to defined benefit pension scheme	1,512,124	1,442,688
	<u>                    </u>	<u>                    </u>
	19,471,300	15,168,265
	<u>                    </u>	<u>                    </u>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

<b>5 Directors' Emoluments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	5,571,509	3,629,437
Company pension contributions to money purchase schemes	864,539	714,685
	<u>6,436,048</u>	<u>4,344,122</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 7 (2005- 8).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	1,223,710	500,477
Company pension contributions to money purchase schemes	183,115	96,811
	<u>1,406,825</u>	<u>597,288</u>

<b>6 Investment Income</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Interest receivable	57,150	-
Income from other fixed asset investments	16,695	8,745
	<u>73,845</u>	<u>8,745</u>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

7	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	586,177	1,577,381
	Adjustment for prior years	-	68,440
		<hr/>	<hr/>
	<b>Current tax charge</b>	586,177	1,645,821
	<b>Deferred tax</b>		
	Deferred tax credit	(40,989)	(105,325)
		<hr/>	<hr/>
		545,188	1,540,496
		<hr/>	<hr/>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	1,453,972	4,668,595
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)	436,192	1,400,579
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	147,381	180,006
	Depreciation	44,253	24,650
	Capital allowances	(36,640)	(25,230)
	Adjustments to previous periods	-	68,440
	Dividends and distributions received	(5,009)	(2,624)
		<hr/>	<hr/>
		149,985	245,242
		<hr/>	<hr/>
	<b>Current tax charge</b>	586,177	1,645,821
		<hr/>	<hr/>
8	<b>Dividends</b>	2006 £	2005 £
	On ordinary shares	3,258,363	1,788,858
		<hr/>	<hr/>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

**9 Tangible Assets**

	Land and buildings Leasehold	Plant and machinery	Furniture, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2005	-	536,540	314,699	85,603	936,842
Additions	-	129,354	140,187	57,182	326,723
Transfer from group company	125,557	-	-	-	125,557
Disposals	-	-	-	(50,443)	(50,443)
At 31 March 2006	125,557	665,894	454,886	92,342	1,338,679
<b>Depreciation</b>					
At 1 April 2005	-	461,167	259,575	67,565	788,307
Transfer from group company	9,557	-	-	-	9,557
On disposals	-	-	-	(50,443)	(50,443)
Charge for the year	-	90,090	48,088	23,083	161,261
At 31 March 2006	9,557	551,257	307,663	40,205	908,682
<b>Net book value</b>					
At 31 March 2006	116,000	114,637	147,223	52,137	429,997
At 31 March 2005	-	75,373	55,124	18,038	148,535

**10 Investments**

	Unlisted investments £
<b>Cost</b>	
At 1 April 2005	18,550
Additions	18,750
At 31 March 2006	37,300

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

<b>11 Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,271,716	6,089,648
Amounts owed by parent and fellow subsidiary undertakings	-	7,783,008
Other debtors	193,601	266,069
Prepayments and accrued income	469,612	426,392
Deferred tax asset	252,500	211,511
	<u>5,187,429</u>	<u>14,776,628</u>
 <b>Deferred tax</b>	 <b>2006</b>	
	<b>£</b>	
Balance at 1 April 2005	211,511	
Profit and loss account	40,989	
	<u>252,500</u>	
Balance at 31 March 2006	<u>252,500</u>	
	 <b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances and other short term timing differences	<u>252,500</u>	<u>211,511</u>
 <b>12 Creditors: Amounts Falling Due Within One Year</b>	 <b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	5,157,130	4,648,093
Amounts owed to parent and fellow subsidiary undertakings	8,731,585	10,321
Corporation tax	153,556	833,655
Other taxes and social security costs	196,543	141,023
Other creditors	154,753	112,309
Accruals and deferred income	12,926,697	9,748,572
	<u>27,320,264</u>	<u>15,493,973</u>
 <b>13 Share Capital</b>	 <b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
 <b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

**14 Shareholders' funds**

2006	Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
Balance at 1 April 2005	50,000	2,349,579	-	2,399,579
Profit for the year	-	-	908,784	908,784
Dividends (see note 8)	-	-	(3,258,363)	(3,258,363)
Net movement during the year	-	(2,349,579)	2,349,579	-
Balance at 31 March 2006	50,000	-	-	50,000
<b>NEP bonus reserve</b>				
Balance at 1 April 2005		2,349,579		
Increase in the year		1,268,366		
Released to cover costs		(3,617,945)		
Balance at 31 March 2006		-		
<b>2005</b>	<b>Called up share capital</b>	<b>Other reserves (see below)</b>	<b>Profit and loss account</b>	<b>Total</b>
	£	£	£	£
Balance at 1 April 2004	50,000	1,010,338	-	1,060,338
Retained profit for the year	-	-	3,128,099	3,128,099
Dividends (see note 8)	-	-	(1,788,858)	(1,788,858)
Appropriation during the year	-	1,339,241	(1,339,241)	-
Balance at 31 March 2005	50,000	2,349,579	-	2,399,579
<b>NEP bonus reserve</b>				
Balance at 1 April 2004		1,010,338		
Special reserve increase		1,339,241		
Balance at 31 March 2005		2,349,579		

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2006 (continued)**

**15 Future Financial Commitments**

**a) Operating leases**

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating lease which expire:		
within one year	218,178	89,130
in the second to fifth year	360,525	283,447
	<u>578,703</u>	<u>372,577</u>

**b) Pension commitments**

**Defined contribution**

The company operates a self administered defined contribution scheme. The assets of the scheme are held separately from those of the company in funds administered by independent investment managers. The pension cost charge represents contributions payable by the company to the fund.

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	1,512,124	1,284,875
Accrued contributions to the fund at the year end and included in creditors	<u>639,902</u>	<u>552,461</u>

**16 Controlling Party**

The company is a wholly owned subsidiary undertaking of Howe Robinson Group Limited, which is registered in England and Wales.

The Directors of Howe Robinson Group Limited are deemed to control the Company by virtue of their aggregate interest in more than 50% of the issued share capital of Howe Robinson Group Limited, whose accounts may be obtained from the company's registered office.

The company has taken advantage of the provisions of FRS8, not to disclose inter-group related party transactions.