

**Howe Robinson and Company Limited**

Company No. 1195130

**Financial Statements**

**For the year ended**

**31 March 2004**

# 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

### **Secretary**

R.A. Wood

### **Registered Office**

77 Mansell Street  
London  
E1 8AF

### **Auditors**

Kingston Smith  
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 2004.

### 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 and Tokyo.

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 of the accounts of the parent company, Howe Robinson Investments Limited.

### Results and dividends

The results for the year are set out in the profit and loss account on page 3. The profit after taxation amounted to £3,127,191 (2003 - restated £1,757,683) which is available for distribution. The directors recommend the amount of £4,369,848 (2003 - £1,130,120) be paid as a dividend to the parent company, Howe Robinson Investments Limited, for the year ended 31st March 2004 being £87.40 per ordinary share (2003 - £22.60).

### Directors

The directors who served during the year are as follows:

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

### 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 Investments Limited, are disclosed in the Directors' Report of that company.

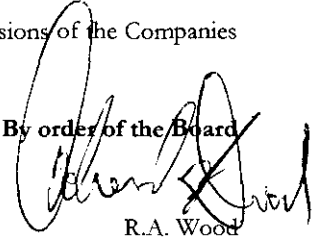
### Charitable donations

Charitable donations in the year amounted to £11,404 (2003 - £14,086).

### Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed they be re-appointed auditors to the company for the ensuing year.

By order of the Board

  
R.A. Wood  
Secretary

77 Mansell Street  
London  
E1 8AF

Date: 13/9/2004

# Howe Robinson and Company Limited

## Directors' Responsibilities & Report of the Auditors

### Statement of 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 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.

### 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 2004 which comprise of the Profit & Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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.

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 within it.

### Basis of audit opinion

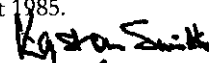
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

  
Kingston Smith  
Chartered Accountants  
and Registered Auditors

Date: 22nd September, 2004

**Howe Robinson and Company Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2004**

		2004	2003
	Notes	£	as restated £
<b>Turnover</b>	2	17,984,382	11,368,730
Administrative expenses		(13,470,957)	(8,841,875)
<b>Operating profit</b>	3	4,513,425	2,526,855
Investment income	6	3,180	3,180
Other interest receivable and similar income		-	500
<b>Profit on ordinary activities before taxation</b>		4,516,605	2,530,535
Taxation	7	(1,389,414)	(772,852)
<b>Profit on ordinary activities after taxation</b>		3,127,191	1,757,683
Dividends	8	(4,369,848)	(1,130,120)
<b>(Withdrawn from) / retained in Reserves</b>	14	(1,242,657)	627,563

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

**Statement of Total Recognised Gains and Losses**  
**For the year ended 31 March 2004**

		2004	2003
		£	as restated £
Total recognised gains and losses relating to the year:			
Profit for the financial year		3,127,191	1,757,683
Prior year adjustment (as explained in note 1)	3,218,934		
Less: Corporation tax	(965,939)	2,252,995	
Total gains and losses recognised since last annual report		5,380,186	


# Howe Robinson and Company Limited

## Balance Sheet

### As at 31 March 2004

		2004		2003	
	Notes	£	£	as restated £	£
<b>Fixed Assets</b>					
Tangible assets	9		109,265		116,296
Investments	10		18,550		18,550
			<u>127,815</u>		<u>134,846</u>
<b>Current Assets</b>					
Debtors	11	12,180,879		9,166,254	
Cash at bank and in hand		2,100,938		1,884,766	
		<u>14,281,817</u>		<u>11,051,020</u>	
<b>Creditors: Amounts falling due within one year</b>	12	(13,349,294)		(8,882,871)	
<b>Net Current Assets</b>			<u>932,523</u>		<u>2,168,149</u>
<b>Total Assets Less Current Liabilities</b>			<u>1,060,338</u>		<u>2,302,995</u>
<b>Capital and Reserves</b>					
Called up share capital	13		50,000		50,000
Other reserves	14		1,010,338		-
Profit and loss account	14		-		2,252,995
<b>Shareholders' Funds - Equity Interests</b>			<u>1,060,338</u>		<u>2,302,995</u>

Approved by the Board on 13/9/2004

  
P.B. Kerr-Dineen  
Director

  
D.M. Lewis  
Director

# Howe Robinson and Company Limited

## Notes to the Financial Statements

### For the year ended 31 March 2004

#### 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:

Computer equipment	33% per annum
Fixtures, fittings & equipment	20% per annum
Motor vehicles	25% per annum

##### d) Turnover

In the light of the recommendations included in "Application Note G", recently published by the Accounting Standards Board, turnover is recognised when and to the extent that income has been earned. This represents a change in accounting policy and comparative figures have been restated accordingly.

##### e) Deferred taxation

Provision is made for material deferred taxation using the liability method to take account of 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.

#### 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 2004 (continued)**

<b>3 Operating Profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets:		
Owned assets	79,030	86,285
Operating lease rentals	98,373	144,350
Auditors' remuneration	27,500	25,000
and after crediting:		
Profit on disposal of tangible assets	(10,751)	(128,313)
	<u>          </u>	<u>          </u>

**4 Employee Information**

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

	<b>2004</b>	<b>2003</b>
	<b>Number</b>	<b>Number</b>
Brokers	51	48
Administration	24	19
	<u>          </u>	<u>          </u>
	75	67
	<u>          </u>	<u>          </u>

The total remuneration was:

	<b>£</b>	<b>£</b>
Wages and salaries	9,180,300	5,664,553
Social security costs	859,803	560,148
Other costs including pension costs	940,262	403,820
	<u>          </u>	<u>          </u>
	10,980,365	6,628,521
	<u>          </u>	<u>          </u>

<b>5 Directors' Emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	3,150,146	1,842,516
Company pension contributions to money purchase schemes	448,396	116,569
	<u>          </u>	<u>          </u>
	3,598,542	1,959,085
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 8 (2003- 8).

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

Emoluments for qualifying services	764,632	433,774
Company pension contributions to money purchase schemes	7,021	5,859
	<u>          </u>	<u>          </u>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2004 (continued)**

<b>6</b>	<b>Investment Income</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	3,180	3,180
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Taxation</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		<b>as restated</b>
	U.K. corporation tax	1,438,242	790,473
	Adjustment for prior years	6,283	33,454
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	1,444,525	823,927
	<b>Deferred tax</b>		
	Deferred tax credit	(55,111)	(51,075)
		<u>          </u>	<u>          </u>
		1,389,414	772,852
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	4,516,605	2,530,535
		<u>          </u>	<u>          </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	1,354,982	759,161
		<u>          </u>	<u>          </u>
	Effects of:		
	Non deductible expenses	98,050	61,953
	Depreciation	2,812	(41,282)
	Adjustments to previous periods	6,283	33,454
	Chargeable disposals	-	10,695
	Dividends and distributions received	(954)	(954)
	Other tax adjustments	(16,648)	900
		<u>          </u>	<u>          </u>
		89,543	64,766
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	1,444,525	823,927
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Dividends</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Ordinary final proposed	4,369,848	1,130,120
		<u>          </u>	<u>          </u>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2004 (continued)**

**9 Tangible Assets**

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2003	406,691	267,755	208,913	883,359
Additions	59,993	12,006	-	71,999
Disposals	-	-	(39,520)	(39,520)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	466,684	279,761	169,393	915,838
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2003	357,762	226,563	182,738	767,063
On disposals	-	-	(39,520)	(39,520)
Charge for the year	47,993	13,190	17,847	79,030
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	405,755	239,753	161,065	806,573
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2004	60,929	40,008	8,328	109,265
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	48,929	41,192	26,175	116,296
	<hr/>	<hr/>	<hr/>	<hr/>

**10 Investments**

	Unlisted investments £
<b>Cost</b>	
At 1 April 2003 & at 31 March 2004	18,550
	<hr/>
	<b>Directors' valuation £</b>
At 31 March 2004	18,550
	<hr/>
At 31 March 2003	18,550
	<hr/>

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2004 (continued)**

<b>11 Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
		<b>as restated</b>
Trade debtors	5,394,413	3,552,441
Amounts owed by parent and fellow subsidiary undertakings	6,224,223	5,016,258
Other debtors	209,742	263,127
Prepayments and accrued income	246,315	283,353
Deferred tax asset	106,186	51,075
	<u>12,180,879</u>	<u>9,166,254</u>
 <b>Deferred tax</b>	 <b>2004</b>	
	<b>£</b>	
Balance at 1 April 2003	51,075	
Profit and loss account	55,111	
	<u>106,186</u>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Expenses not yet allowed for corporation tax	<u>106,186</u>	<u>51,075</u>
 <b>12 Creditors: Amounts Falling Due Within One Year</b>	 <b>2004</b>	 <b>2003</b>
	<b>£</b>	<b>£</b>
		<b>as restated</b>
Trade creditors	3,763,452	3,623,732
Amounts owed to parent and fellow subsidiary undertakings	10,321	10,321
Corporation tax	2,097,366	1,487,170
Other taxes and social security costs	115,922	81,053
Other creditors	66,998	59,804
Accruals and deferred income	7,295,235	3,620,791
	<u>13,349,294</u>	<u>8,882,871</u>
 <b>13 Share Capital</b>	 <b>2004</b>	 <b>2003</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 2004 (continued)**

**14 Shareholders' funds**

2004	Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
Balance at 1 April 2003 as restated	50,000	-	2,252,995	2,302,995
Profit for the year	-	-	3,127,191	3,127,191
Dividends	-	-	(4,369,848)	(4,369,848)
Movement during the year	-	1,010,338	(1,010,338)	-
Balance at 31 March 2004	50,000	1,010,338	-	1,060,338

2003	Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
Balance at 1 April 2002 as previously reported	50,000	-	-	50,000
Prior year adjustment	-	-	1,625,432	1,625,432
Balance at 1 April 2002 as restated	50,000	-	1,625,432	1,675,432
Profit for the year	-	-	1,757,683	1,757,683
Dividends	-	-	(1,130,120)	(1,130,120)
Balance at 31 March 2003	50,000	-	2,252,995	2,302,995

Other reserves represent funds set aside for the company's Non Equity Participation Scheme, which may be used for all potential future costs in respect of that Scheme.

**Howe Robinson and Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2004 (continued)**

**15 Future Financial Commitments**

**a) Operating leases**

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating lease which expire:		
within one year	84,300	-
in the second to fifth year	-	84,300
after five years	111,625	111,625
	<u>195,925</u>	<u>195,925</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 the independent investment managers. The pension cost charge represents contributions payable by the company to the fund.

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>833,774</u>	<u>304,040</u>

**16 Securities**

The company's bankers hold a fixed and floating charge over the group's assets in respect of its forward foreign exchange facility. At the balance sheet date Howe Robinson and Company Limited had contracted to deliver US\$9 million (2003: US\$14 million) over the coming months.

**17 Controlling Party**

The company is a wholly owned subsidiary undertaking of Howe Robinson Investments Limited, which is registered in England and Wales. The Board of Directors of Howe Robinson Investments Limited is deemed to control the Company by virtue of its aggregate interest in more than 50% of the issued share capital of Howe Robinson Investments Limited. Group 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.