

Howe Robinson and Company Limited

Company No. 1195130

Financial Statements

For the year ended

31 March 2003



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 2003.

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 on page 4.

The results for the year are set out in the profit and loss account on page 4. The profit after taxation amounted to £1,130,120 (2002 - £1,347,390) which is available for distribution. The directors recommend this amount is paid as a dividend to the parent company, Howe Robinson Investments Limited, for the year ended 31st March 2003 being £22.60 per ordinary share (2002 - £26.95).

Directors

The following directors have held office since 1 April 2002:

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.

	31 March 2003 2003	1 April 2002 2002
Charitable donations	£	£
During the year the company made the following:		
Charitable donations	14,086	8,071

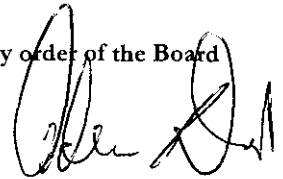
Howe Robinson and Company Limited

Report of the Directors (continued)

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: 28 August 2003

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 on pages 4 to 11 for the year ended 31 March 2003. 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 auditor's 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 2003 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: 3 September 2003

Howe Robinson and Company Limited
Profit and Loss Account
For the year ended 31 March 2003

	Notes	2003 £	2002 £
Turnover	2	10,470,925	9,526,126
Administrative expenses		(8,841,875)	(7,584,366)
Operating profit	3	1,629,050	1,941,760
Investment income	6	3,180	3,000
Other interest receivable and similar income		500	-
Profit on ordinary activities before taxation		1,632,730	1,944,760
Taxation	7	(502,610)	(597,370)
Profit on ordinary activities after taxation		1,130,120	1,347,390
Dividends	8	(1,130,120)	(1,347,390)
Retained for the year		-	-


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

There are no recognised gains and losses other than those passing through the profit and loss account.

Howe Robinson and Company Limited
Balance Sheet
As at 31 March 2003

	Notes	2003 £	£	2002 £	£
Fixed Assets					
Tangible assets	9		116,296		86,546
Investments	10		18,550		18,550
			<u>134,846</u>		<u>105,096</u>
Current Assets					
Debtors	11	5,619,377		4,114,159	
Cash at bank and in hand		<u>1,737,619</u>		<u>1,632,547</u>	
		7,356,996		5,746,706	
Creditors: Amounts falling due within one year	12	<u>(7,441,842)</u>		<u>(5,801,802)</u>	
Net Current Liabilities			<u>(84,846)</u>		<u>(55,096)</u>
Total Assets Less Current Liabilities			<u>50,000</u>		<u>50,000</u>
Capital and Reserves					
Called up share capital	14		50,000		50,000
Shareholders' Funds - Equity Interests			<u>50,000</u>		<u>50,000</u>

Approved by the Board on 28 August 2003


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 2003

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

Turnover represents brokerage and commissions received during the year.

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) 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.

3 Operating Profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets:		
Owned assets	86,285	87,618
Operating lease rentals	144,350	107,264
Auditors' remuneration	25,000	25,000
and after crediting:		
Profit on disposal of tangible assets	(128,313)	(2,287)

Howe Robinson and Company Limited
Notes to the Financial Statements
For the year ended 31 March 2003 (continued)

4 Employee Information

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

	2003 Number	2002 Number
Brokers	48	47
Administration	19	20
	<u>67</u>	<u>67</u>

The total remuneration was:

	£	£
Wages and salaries	5,659,854	4,694,870
Social security costs	560,148	458,573
Other costs including pension costs	403,820	338,373
	<u>6,623,822</u>	<u>5,491,816</u>

5 Directors' Emoluments

	2003 £	2002 £
Emoluments for qualifying services	1,842,516	1,304,821
Company pension contributions to money purchase schemes	116,569	85,965
	<u>1,959,085</u>	<u>1,390,786</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 8 (2002 - 8).

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

Emoluments for qualifying services	433,774	310,043
Company pension contributions to money purchase schemes	6,510	5,859

6 Investment Income

	2003 £	2002 £
Income from fixed asset investments	3,180	3,000

Howe Robinson and Company Limited
Notes to the Financial Statements
For the year ended 31 March 2003 (continued)

7	Taxation	2003	2002
		£	£
	Domestic current year tax		
	U.K. corporation tax	520,231	618,526
	Adjustment for prior years	33,454	(21,156)
		<hr/>	<hr/>
	Current tax charge	553,685	597,370
	Deferred tax		
	Deferred tax credit	(51,075)	-
		<hr/>	<hr/>
		502,610	597,370
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,632,730	1,944,760
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	489,819	583,428
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	61,953	39,853
	Depreciation	(41,282)	3,250
	Tax losses utilised	-	(7,105)
	Adjustments to previous periods	33,454	(21,156)
	Chargeable disposals	10,695	-
	Dividends and distributions received	(954)	(900)
		<hr/>	<hr/>
		63,866	13,942
		<hr/>	<hr/>
	Current tax charge	553,685	597,370
		<hr/>	<hr/>
8	Dividends	2003	2002
		£	£
	Ordinary final proposed	1,130,120	1,347,390
		<hr/>	<hr/>

Howe Robinson and Company Limited
Notes to the Financial Statements
For the year ended 31 March 2003 (continued)

9 Tangible Assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2002	467,885	288,061	354,649	1,110,595
Additions	62,798	36,577	16,660	116,035
Disposals	(123,992)	(56,883)	(162,396)	(343,271)
At 31 March 2003	406,691	267,755	208,913	883,359
Depreciation				
At 1 April 2002	441,527	271,504	311,018	1,024,049
On disposals	(123,992)	(56,883)	(162,396)	(343,271)
Charge for the year	40,227	11,942	34,116	86,285
At 31 March 2003	357,762	226,563	182,738	767,063
Net book value				
At 31 March 2003	48,929	41,192	26,175	116,296
At 31 March 2002	26,358	16,557	43,631	86,546

10 Investments

	Unlisted investments £
Cost	
At 1 April 2002 & at 31 March 2003	18,550
	Directors' valuation £
At 31 March 2003	18,550
At 31 March 2002	18,550

Howe Robinson and Company Limited
Notes to the Financial Statements
For the year ended 31 March 2003 (continued)

11 Debtors	2003	2002
	£	£
Trade debtors	5,564	49,146
Amounts owed by parent and fellow subsidiary undertakings	5,016,258	3,612,382
Other debtors	263,127	224,559
Prepayments and accrued income	283,353	228,072
Deferred tax - see note 13	51,075	-
	<u>5,619,377</u>	<u>4,114,159</u>

12 Creditors: Amounts Falling Due Within One Year	2003	2002
	£	£
Trade creditors	3,149,642	2,244,928
Amounts owed to parent and fellow subsidiary undertakings	10,321	10,321
Corporation tax	520,231	618,526
Other taxes and social security costs	81,053	114,637
Other creditors	59,804	60,544
Accruals and deferred income	3,620,791	2,752,846
	<u>7,441,842</u>	<u>5,801,802</u>

13 Provisions for Liabilities and Charges

Deferred taxation provided in the financial statements is as follows:

	2003	2002
	£	£
Accelerated capital allowances	<u>(51,075)</u>	<u>-</u>

14 Called Up Share Capital	2003	2002
	£	£
Authorised		
50,000 Ordinary shares of £ 1 each	<u>50,000</u>	<u>50,000</u>
 Allotted, called up and fully paid		
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 2003 (continued)

15 Future Financial Commitments

a) Operating leases

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Operating lease which expire:		
in the second to fifth year	84,300	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.

	2003	2002
	£	£
Contributions payable by the company for the year	<u>304,040</u>	<u>244,034</u>

16 Contingent Liabilities

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\$14 million (2002: US\$12.5 million) over the next twenty five 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.