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Company Registration Number: 337651

**GREENSHIELDS, COWIE & CO. LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2005**



**GREENSHIELDS, COWIE & CO. LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

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**GREENSHIELDS, COWIE & CO. LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2005.

**ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Company is that of shipping and forwarding agents.

Greenshields, Cowie & Co. Ltd is authorised and regulated by the Financial Services Authority, firm reference number 309084.

The Directors have continued to develop the business of the company in the light of prevailing trading conditions, and intend to go on doing so. The Directors are not aware of any significant events affecting the company which have occurred since the end of the year.

**DIRECTORS**

The members of the Board during the year were:

K G White (Chairman)	D F Cook (resigned 09/03/05)
J R C Ellery (resigned 05/04/05)	G J Hopcroft (appointed 09/03/05)
K H F Knox	T R Niven
D Roissetter	

No Director has any beneficial interest in the shares of the Company or of group undertakings.

**RESULTS**

The profit for the year after tax was £196,684 (2004, restated, loss: £142,715). The Directors do not recommend payment of a dividend (2004: Nil).

**AUDITORS**

Pursuant to section 379A of the Companies Act 1985 an elective resolution was passed on 12 March 1991 dispensing with the obligation to appoint auditors annually in accordance with section 386 of the Companies Act 1985.

As the Company has adopted an elective resolution dispensing with Annual General Meetings and the annual appointment of auditors, PricewaterhouseCoopers LLP will continue as auditors to the Company.

**ELECTIVE RESOLUTIONS**

In accordance with the Companies Act 1989 elective resolutions were passed in 1991 which will facilitate the administration of the company.

1. The company dispensed with the laying of accounts and reports before the company in general meeting.
2. The company dispensed with the holding of the Annual General Meeting.

**GREENSHIELDS, COWIE & CO. LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005 (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**


The following statement, which should be read in conjunction with the Auditors' Report regarding the respective responsibilities of Directors and Auditors, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the Accounts.

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the period to that date. In preparing those financial statements the directors are required:

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

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements of the Company comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD



Lynn Hale  
Company Secretary

Date: 4 July 2006

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENSHIELDS, COWIE & CO. LIMITED**

We have audited the financial statements of Greenshields, Cowie & Co. Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

## **Respective responsibilities of 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 and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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**

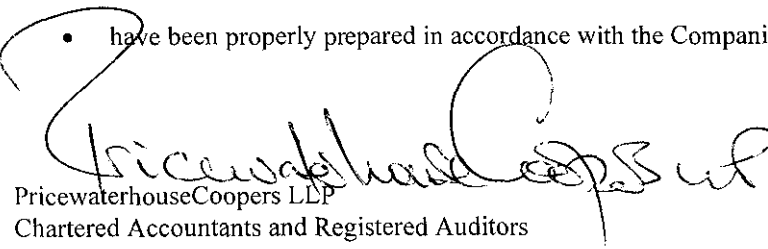
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

11 July 2006

# GREENSHIELDS, COWIE & CO. LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	Notes	2005 £	Restated 2004 £
<b>Turnover</b>	1(d)	6,171,179	5,150,361
Cost of Sales		(5,181,727)	(4,253,697)
<b>Gross Profit</b>		<u>989,452</u>	<u>896,664</u>
Administrative expenses		(870,995)	(1,150,491)
<b>Profit /(Loss) on ordinary activities before interest and taxation</b>	2	<u>118,457</u>	<u>(253,827)</u>
Dividend receivable from associated undertaking		98,000	-
Income from shares in group undertakings		20,279	39,477
Interest receivable	4	3,628	2,302
<b>Profit / (Loss) on ordinary activities before taxation</b>		<u>240,364</u>	<u>(212,048)</u>
(Tax) / tax relief on profit/(loss) on ordinary activities	5	(43,680)	69,333
<b>Profit / (Loss) for the financial year after taxation</b>		<u>196,684</u>	<u>(142,715)</u>
Reserves brought forward		681,493	824,208
<b>Reserves carried forward</b>	11	<u><u>878,177</u></u>	<u><u>681,493</u></u>

All results are derived from continuing operations.

There is no material difference between the results disclosed above and the results on an unmodified historical cost basis.

The Notes on pages 6 to 12 form part of these financial statements.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES ("STRGL")

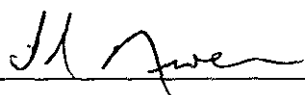
For the year ended 31 December 2005

	Notes	2005 £	2004 £
Profit/(Loss) for the financial year		196,684	<u>(142,715)</u>
Prior year adjustment	1(a)	(98,000)	
<b>Total recognised gains and losses since the last annual report</b>		<u><u>98,684</u></u>	

**GREENSHIELDS, COWIE & CO. LIMITED****BALANCE SHEET****As at 31 December 2005**

	Notes	2005 £	Restated 2004 £
<b>Fixed Assets</b>			
Tangible Assets	6	168,064	179,172
Investments	7	190,701	200,201
		<u>358,765</u>	<u>379,373</u>
<b>Current Assets</b>			
Debtors - amounts falling due within one year	8	619,224	607,507
Debtors - amounts falling due after one year	8	9,328	6,701
Cash at bank and in hand		3,240	4,653
Cash at bank with fellow subsidiary		671,805	371,834
		<u>1,303,597</u>	<u>990,695</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(771,535)</u>	<u>(675,925)</u>
<b>Net current assets</b>		532,062	314,770
<b>Total assets less current liabilities</b>		<u>890,827</u>	<u>694,143</u>
<b>Capital and Reserves</b>			
Called-up share capital	10	12,650	12,650
Profit and loss account	11	878,177	681,493
<b>Equity Shareholders' Funds</b>	12	<u>890,827</u>	<u>694,143</u>

Approved by the Board  
and signed on their behalf by

  
Director:

14 July 2006  
Date

The Notes on pages 6 to 12 form part of these financial statements.

**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2005**

**1. ACCOUNTING POLICIES**

The directors consider that the accounting policies selected for use in the preparation of the financial statements are the most appropriate for the Company's circumstances and are consistent with the principles of Financial Reporting Standard 18. The principal accounting policies are set out below.

**a) BASIS OF PREPARATION**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. No cashflow statement has been prepared as the Company is entitled to the exemption available for small companies under Financial Reporting Standard 1 (Revised 1996).

During the year the Company has adopted FRS 21: Events after the Balance Sheet Date. The effect of adopting FRS 21 is that dividends receivable from an associated company, which may be proposed but which have not been ratified by Annual General Meeting of that company and therefore do not amount to a liability of that company as at 31 December 2005, are not included within receivables of this Company at that date. Phoenix Travel (Greenshields) Limited have proposed a dividend of £95,000 for the year of 2005, (2004: £98,000) but under FRS 21 this has not been included as a liability in their accounts or as an asset in the accounts of Greenshields, Cowie and Co. Limited. Comparative figures have been restated. This has resulted in a decrease to 2004 profit for the year and to 2004 closing reserves of £98,000.

**b) TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost less accumulated depreciation. Assets are depreciated from the month in which they are brought into use. Depreciation is calculated to write off the original cost or subsequent valuation in equal annual instalments over their estimated useful life which is taken as follows:

Leasehold building	50 years
Motor vehicles	4 years
Fixtures, fittings and equipment	3-7 years

No depreciation is provided on leasehold land which has a life in excess of 900 years.

**c) DEFERRED TAXATION**

Full provision is made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, where future payment or receipt is more likely than not to occur.

Deferred tax assets are regarded as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable



**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**1. ACCOUNTING POLICIES (Continued)**

taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided on a non-discounted basis.

**d) TURNOVER**

Turnover represents the amount of fees earned, commissions and charges receivable during the year excluding value added tax.

**e) GROUP ACCOUNTS**

Group accounts are not prepared as the Company is a wholly owned subsidiary undertaking of The Crown Agents for Oversea Governments and Administrations Limited, incorporated in the United Kingdom. The directors are of the opinion that the investments in the subsidiary undertakings are worth at least the amounts stated in the accounts.

**f) FOREIGN CURRENCY TRANSLATION**

Assets and liabilities expressed in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. The results of operations in foreign currencies are translated at average rates for the year and currency gains or losses are included in operating profit.

**g) PENSIONS**

Taking the multi-employer exemption, pension contributions payable are charged to the profit and loss account as the cost of the defined benefit scheme. The pensions cost is assessed in accordance with the advice of qualified actuaries. Details of the actuarial valuation of the pension scheme are disclosed in the financial statements of The Crown Agents for Oversea Governments and Administrations Limited.

**2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2005	2004
Operating profit / (loss) is stated after charging:	£	£
Depreciation of tangible fixed assets	32,870	31,047
Exchange (gains)/losses	(16,228)	15,660
Auditors' Remuneration (for Audit Services)	7,500	6,050
	<u>          </u>	<u>          </u>

**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3 STAFF COSTS**

Directors' remuneration included in management fees was £61,437 (2004: £83,384). There were no staff employed by the Company during the year. The costs of certain services performed by staff employed by other group undertakings were charged to the Company by a management fee. Payroll costs of employees of The Crown Agents for Oversea Governments and Administrations Limited are recharged to Greenshields, Cowie & Co. Limited. Accommodation and office costs incurred by such employees are also recharged to Greenshields, Cowie & Co. Limited.

The staff costs recharged to the Company as stated above are as follows:

	2005	2004
	£	£
Wages and salaries	500,646	508,610
Social security costs	44,034	45,584
Pension costs	83,608	76,396
	<u>628,288</u>	<u>630,590</u>
	=====	=====

The average number of employees in 2005 was 20 (2004: 22).

Retirement benefits are accruing to 5 (2004: 5) directors under a defined benefits scheme.

Greenshields, Cowie & Co. Limited is a member of the Crown Agents Superannuation Scheme. Details of the scheme and its actuarial valuation are disclosed in the financial statements of The Crown Agents for Oversea Governments and Administrations Limited.

**4 INTEREST RECEIVABLE**

	2005	2004
	£	£
Interest receivable on deposits with fellow subsidiary undertaking	3,628	2,302
	<u>=====</u>	<u>=====</u>

**5 TAXATION**

(a) Analysis of charge for the year	2005	2004
	£	£
<b>Current tax:</b>		
(UK corporation tax on profits) / group relief on losses of the year	(44,880)	61,449
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,200	7,884
	<u>(43,680)</u>	<u>69,333</u>
	=====	=====

**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5 TAXATION (continued)**

**(b) Factors affecting the tax charge for the year**

	2005 £	2004 £
Profit / (Loss) on ordinary activities before tax	<u>240,364</u>	<u>(212,048)</u>
Profit / (Loss) on ordinary activities before tax multiplied by the standard rate of tax in the UK of 30%	72,109	(63,614)
Effect of:		
Dividend receivable from UK subsidiary not taxable	(29,400)	-
Expenses not deductible for tax purposes	283	146
Accounting depreciation less than tax depreciation	<u>1,888</u>	<u>2,019</u>
Current tax charge/(group relief)	<u>44,880</u>	<u>(61,449)</u>

**6 TANGIBLE ASSETS**

	Long leasehold land and <u>building</u> £	Motor <u>vehicles</u> £	Fixtures, fittings and <u>equipment</u> £	<u>Total</u> £
<b>COST</b>				
At 1 January 2005	154,524	67,075	176,054	397,653
Additions	-	-	21,762	21,762
Disposals	-	-	-	-
At 31 December 2005	<u>154,524</u>	<u>67,075</u>	<u>197,816</u>	<u>419,415</u>
<b>DEPRECIATION</b>				
At 1 January 2005	32,828	44,208	141,445	218,481
Charge for the year	2,292	10,224	20,354	32,870
Disposals	-	-	-	-
At 31 December 2005	<u>35,120</u>	<u>54,432</u>	<u>161,799</u>	<u>251,351</u>
<b>NET BOOK VALUE</b>				
At 31 December 2005	<u>119,404</u>	<u>12,643</u>	<u>36,017</u>	<u>168,064</u>
At 31 December 2004	<u>121,696</u>	<u>22,867</u>	<u>34,609</u>	<u>179,172</u>

**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7 INVESTMENTS**

	Shares in group <u>undertakings</u>	Shares in Associated <u>Undertakings</u>	Other participating <u>interests</u>	<u>Total</u>
COST	£	£	£	£
At 1 January 2005	124,561	66,140	9,500	200,201
Disposals during 2005	-	-	(9,500)	(9,500)
at 31 December 2005	<u>124,561</u>	<u>66,140</u>	<u>nil</u>	<u>190,701</u>

The group and associated undertakings and other participating interests at 31 December 2005 were:

	Main business	Country of incorporation	Proportion of Nominal value of shares held %
The Knight Line Ltd	Packing, consolidation & forwarding	England	100
Greenshields Cowie (U.S.A.) Inc.	Shipping agents	United States	100
Phoenix Travel (Greenshields) Ltd	Travel agents	England	50
Greenshields & Partner BV	Shipping agents	Netherlands	33
Greenshields Project Cargo SRL	Shipping agents	Italy	33

**8 DEBTORS**

	2005 £	Restated 2004 £
<b>Amounts falling due within one year</b>		
Trade debtors	217,509	259,408
Amounts owed by parent undertaking	169,620	133,295
Amounts owed by subsidiary undertakings	142,156	87,506
Amounts owed by associated undertakings	5,751	-
Other debtors	3,223	3,235
Deferred tax	-	1,427
Prepayments and accrued income	80,965	122,636
	<u>619,224</u>	<u>607,507</u>

**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 DEBTORS (Continued)**

	2005	2004
	£	£
Amounts falling due after one year		
Deferred tax	9,328	6,701
	<u>=====</u>	<u>=====</u>

The movement in the year of the deferred tax asset is as follows:

	2005	2004
	£	£
At the beginning of the year	8,128	244
Credited in the profit and loss account	1,200	7,884
	<u>=====</u>	<u>=====</u>
At the end of the year	9,328	8,128
	<u>=====</u>	<u>=====</u>

The analysis of the deferred tax asset included in the financial statements at the end of the year is as follows:

	2005	2004
	£	£
Excess of depreciation over capital allowances	9,328	8,128
	<u>=====</u>	<u>=====</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2005	2004
	£	£
Trade creditors	119,220	75,807
Amounts owed to parent undertaking	-	220,398
Amounts owed to subsidiary undertakings	233,844	143,829
Amounts owed to associated undertakings	-	454
Other creditors	17,769	19,933
Taxation and social security	44,880	-
Accruals and deferred income	355,822	215,504
	<u>=====</u>	<u>=====</u>
	771,535	675,925
	<u>=====</u>	<u>=====</u>

**10 SHARE CAPITAL**

	2005	2004
	£	£
Authorised share capital, 12,650 ordinary shares of £1 each:	12,650	12,650
	<u>=====</u>	<u>=====</u>
Issued, allotted and fully paid, 12,650 ordinary shares of £1 each:	12,650	12,650
	<u>=====</u>	<u>=====</u>

**GREENSHIELDS, COWIE & CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 RESERVES**

	Restated 2005 £
Balance at 1 January as previously reported	779,493
Prior year adjustment	(98,000)
Opening reserves as restated	681,493
Profit for the year	196,684
Balance at 31 December	<u>878,177</u>

**12 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS**

	2005 £	Restated 2004 £
Opening shareholders' funds as previously reported	694,143	836,858
Prior year adjustment	-	(98,000)
Opening shareholders' funds as restated	694,143	738,858
Profit / (Loss) for the year	196,684	(44,715)
Closing shareholders' funds	<u>890,827</u>	<u>694,143</u>

**13 CONTROLLING PARENT UNDERTAKING**

The immediate parent undertaking, The Crown Agents for Oversea Governments and Administrations Limited, a company registered in England and Wales, is the parent of the smallest group to produce consolidated accounts including the Company for the year ended 31 December 2005. These accounts are available from the Company Secretary, St Nicholas House, St Nicholas Road, Sutton, Surrey, SM1 1EL. The ultimate parent undertaking is The Crown Agents Foundation, a non-trading company limited by guarantee, which also produces consolidated accounts, copies of which may be obtained from the Foundation's Company Secretary also at the above address.

**14 RELATED PARTIES**

The company has taken advantage of the exemption under Financial Reporting Standard 8 - Related Party Disclosures (FRS 8) not to disclose related party transactions between wholly owned Group undertakings. The Company had no other material transactions requiring disclosure with related parties during the period.