

Company Registration Number: 337651

GREENSHIELDS, COWIE & CO. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2007



GREENSHIELDS, COWIE & CO. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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GREENSHIELDS, COWIE & CO. LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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

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 and up to the date of signing the financial statements were:

G J Hopcroft (Chairman)
K H F Knox
T R Niven

RESULTS AND DIVIDENDS

The profit for the year after tax was £285,701 (2006: £460,603). The Directors have paid an interim dividend of £300,000, being £23.7154 per share of £1 (2006: recommended dividend of £500,000, being £39.5257 per share of £1, which was also paid during 2007)

INDEPENDENT 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.

AUDIT INFORMATION

Each of the persons who is a director at the date of approval of this report confirms that, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GREENSHIELDS, COWIE & CO. LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

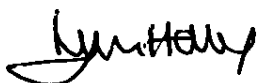
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE BOARD



Lynn Hale

Company Secretary

Date 18 AUGUST 2008

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 2007 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 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

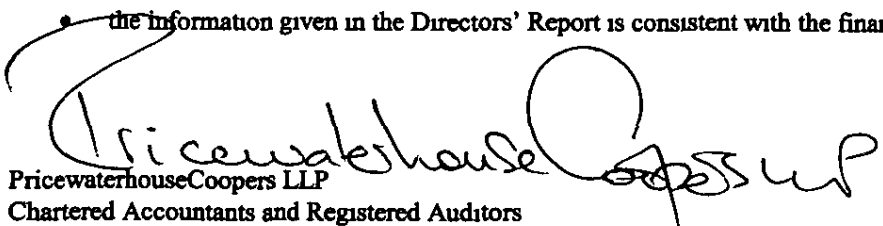
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 as at 31 December 2007 and of its profit for the year then ended,
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

7 September 2008

GREENSHIELDS, COWIE & CO. LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	1(f)	4,311,826	7,870,700
Cost of sales		(3,140,409)	(6,348,245)
Gross profit		<u>1,171,417</u>	<u>1,522,455</u>
Administrative expenses		(820,857)	(1,064,201)
Operating profit	2	<u>350,560</u>	<u>458,254</u>
Income from interest in associated undertaking		-	95,000
Income from shares in group undertakings		34,651	37,520
Interest receivable and similar income	5	24,839	28,459
Profit on ordinary activities before taxation		<u>410,050</u>	<u>619,233</u>
Tax on profit on ordinary activities	6	(124,349)	(158,630)
Profit for the financial year after taxation		<u>285,701</u>	<u>460,603</u>
Dividends paid	7	<u>(800,000)</u>	-
(Loss)/retained profit for the financial year		<u>(514,299)</u>	<u>460,603</u>
Reserves brought forward		<u>1,338,780</u>	<u>878,177</u>
Reserves carried forward	13	<u>824,481</u> =====	<u>1,338,780</u> =====

All results are derived from continuing operations. On a historical cost basis the profit on ordinary activities before taxation would be increased by £5,232 to £415,282, being the difference between historical cost depreciation and the actual charge calculated on the revalued amount. A reconciliation of movements in shareholders' funds is given in Note 14 to the financial statements.

The Notes on pages 6 to 13 form part of these financial statements.

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

For the year ended 31 December 2007

	Notes	2007 £	2006 £
(Loss) / retained profit		(514,299)	460,603
Revaluation surplus on leasehold property		<u>283,079</u>	-
Total recognised (losses)/gains		<u>(231,220)</u>	<u>460,603</u>

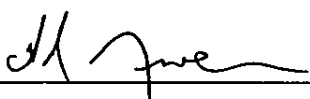
GREENSHIELDS, COWIE & CO. LIMITED

BALANCE SHEET

As at 31 December 2007

	Notes	2007 £	2006 £
Fixed Assets			
Tangible fixed assets	8	443,405	140,509
Investments	9	201,637	224,996
		<u>645,042</u>	<u>365,505</u>
Current Assets			
Debtors - amounts falling due within one year	10	579,338	706,077
- amounts falling due after more than one year	10	6,945	12,328
Cash at bank and in hand		5,095	6,321
Cash at bank with fellow subsidiary		693,932	1,350,831
		<u>1,285,310</u>	<u>2,075,557</u>
Creditors: Amounts falling due within one year	11	(810,142)	(1,089,632)
Net Current Assets		<u>475,168</u>	<u>985,925</u>
Total Assets less Current Liabilities		<u>1,120,210</u>	<u>1,351,430</u>
		=====	=====
Capital and Reserves			
Called-up share capital	12	12,650	12,650
Revaluation reserve		283,079	-
Profit and loss account	13	824,481	1,338,780
Total Equity Shareholders' Funds	14	<u>1,120,210</u>	<u>1,351,430</u>
		=====	=====

Approved by the Board
and signed on their behalf by



Director

18 AUGUST 2008

Date

Name T R. NIVEN

The Notes on pages 6 to 13 form part of these financial statements

GREENSHIELDS, COWIE & CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2007

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 in the United Kingdom, as modified by the revaluation of long leasehold properties with more than 50 years unexpired. Also, as the company is a wholly owned subsidiary of The Crown Agents for Oversea Governments and Administrations Limited, and is included in the consolidated accounts of that company, which are publicly available, it has taken advantage of the exemption within FRS 1 "Cash Flow Statements (revised 1996)" from preparing a cash flow statement.

b) CHANGE IN ACCOUNTING POLICY

The Group has adopted a policy of revaluing its leasehold property in accordance with the alternative accounting rules under FRS 15 Tangible Fixed Assets. The change has been adopted to enable a more appropriate assessment of the return generated from the asset base of the business. The adoption of this change has resulted in a reduction in profit before tax of £5,232 due to additional depreciation, and the creation of a revaluation reserve of £283,079. It is not practical to establish the value of the leasehold property at the previous year end, and therefore no comparative is available.

c) TANGIBLE FIXED ASSETS

Tangible fixed assets, except for long leasehold property, 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

Long leasehold properties are subject to periodic revaluation, in accordance with the provisions of FRS 15, on the basis of open market value for existing use or "current value to the business" as appropriate.

d) FIXED ASSET INVESTMENTS

Fixed asset investments are shown at cost less any provision for impairment.

e) 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 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.

GREENSHIELDS, COWIE & CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2007 (Continued)

1. ACCOUNTING POLICIES (Continued)

No deferred tax is provided on timing differences arising from the revaluation of fixed assets.

f) TURNOVER

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

Turnover is generally recognised on shipment unless there are contractual obligations in respect of consignment tracking in which case an appropriate proportion of the revenue is deferred and only taken once those obligations have been discharged.

Insurance commission is recognised when the underlying insurance premium becomes chargeable.

g) 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, whose accounts are publicly available. The directors are of the opinion that the investments in the subsidiary undertakings are worth at least the amounts stated in the accounts.

h) FOREIGN CURRENCY TRANSLATION

Monetary 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 and losses are included in operating profits.

i) 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 scheme's assets are held in a separately administered fund. 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 ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007	2006
Operating profit is stated after charging/(crediting):	£	£
Depreciation of tangible fixed assets	23,340	34,079
Exchange (gains)/losses	(3,945)	120,611
Auditors' Remuneration:		
for audit services	8,190	7,800
for non-audit services	-	8,000
	<u> </u>	<u> </u>

GREENSHIELDS, COWIE & CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2007 (Continued)

3 STAFF COSTS

There were no staff employed by the Company during the year (2006 none) Payroll costs of employees of The Crown Agents for Oversea Governments and Administrations Limited engaged in the business of the Company 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

	2007	2006
	£	£
Wages and salaries	471,917	464,794
Social security costs	37,417	37,572
Pension costs	89,579	82,640
	<u>598,913</u>	<u>585,006</u>
	=====	=====

The monthly average number of recharged employees in 2007 was 19 (2006 20)
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. DIRECTORS' REMUNERATION

Directors' remuneration included in staff costs was £61,659 (2006 £62,540)
Retirement benefits are accruing to 3 (2006 3) directors under a defined benefits scheme

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007	2006
	£	£
Interest receivable on deposits with fellow subsidiary undertaking	24,839	28,459
	<u>=====</u>	<u>=====</u>

6. TAXATION

(a) Analysis of charge for the year	2007	2006
Current tax:	£	£
UK corporation tax on profits of the year	118,966	161,630
Deferred tax (Note 9):		
Origination and reversal of timing differences	<u>5,383</u>	<u>(3,000)</u>
Tax on profit on ordinary activities	<u>124,349</u>	<u>158,630</u>
	=====	=====

GREENSHIELDS, COWIE & CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2007 (Continued)

6. TAXATION (Continued)

(b) Factors affecting the tax charge for the year	2007	2006
	£	£
Profit on ordinary activities before tax	<u>410,050</u>	<u>619,233</u>
Profit on ordinary activities before tax multiplied by the standard rate of tax in the UK of 30% (2006: 30%)	123,015	185,770
Effect of:		
Dividend receivable from UK subsidiary not taxable	-	(28,500)
Expenses not deductible for tax purposes	150	1,354
Accounting depreciation (less than)/in excess of tax depreciation	<u>(4,199)</u>	<u>3,006</u>
Current tax charge	<u>118,966</u>	<u>161,630</u>

7. DIVIDENDS PAID

Dividends paid in the year ended 31 December 2007 were £500,000 recommended dividend for the year ended 31 December 2006, and £300,000 interim dividend for the year ended 31 December 2007.

8. TANGIBLE FIXED ASSETS

	Long leasehold land and building	Motor vehicles	Fixtures, Fittings And Equipment	Total
	£	£	£	£
COST/VALUATION				
At 1 January 2007	154,524	61,889	206,070	422,483
Additions	-	42,603	554	43,157
Disposals	-	(31,881)	-	(31,881)
Revaluation	<u>245,476</u>	<u>-</u>	<u>-</u>	<u>245,476</u>
At 31 December 2007	<u>400,000</u>	<u>72,611</u>	<u>206,624</u>	<u>679,235</u>
ACCUMULATED DEPRECIATION				
At 1 January 2007	37,412	60,984	183,578	281,974
Charge for the year	7,524	6,097	9,719	23,340
Disposals	-	(31,881)	-	(31,881)
Revaluation	<u>(37,603)</u>	<u>-</u>	<u>-</u>	<u>(37,603)</u>
At 31 December 2007	<u>7,333</u>	<u>35,200</u>	<u>193,297</u>	<u>235,830</u>
NET BOOK VALUE				
At 31 December 2007	<u>392,667</u>	<u>37,411</u>	<u>13,327</u>	<u>443,405</u>
At 31 December 2006	<u>117,112</u>	<u>905</u>	<u>22,492</u>	<u>140,509</u>

GREENSHIELDS, COWIE & CO. LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 (Continued)****8. TANGIBLE FIXED ASSETS (continued)**

Greenshield, Cowie and Co Limited's long leasehold property, comprising office premises in Liverpool, was valued on 7th February 2007, in accordance with the RICS Appraisal and Valuation Standards (5th Edition), by a qualified professional valuer working for Matthew & Goodman LLP. Matthew & Goodman LLP's opinion of the open market value for existing use at 7 February 2007 was £400,000, and the directors adopted that valuation at that date resulting in a revaluation surplus of £283,079.

The directors have reviewed the net carrying value of these long leasehold interests shown in these accounts as at 31 December 2007 and believe that this reflects an appropriate value for this asset class at that date.

9. INVESTMENTS

	Shares in group <u>undertakings</u>	Shares in Associated <u>Undertakings</u>	<u>Total</u>
	£	£	£
COST and N B V			
At 1 January 2007	124,561	100,435	224,996
Disposal	-	(23,359)	(23,359)
At 31 December 2007	<u>124,561</u>	<u>77,076</u>	<u>201,637</u>
	=====	=====	=====

During the year GSC Limited sold 30% of its shareholding in GC Project Cargo SRL. The group and associated undertakings and other participating interests at 31 December 2007 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	35

GREENSHIELDS, COWIE & CO. LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2007 (Continued)****10. DEBTORS**

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	281,613	497,576
Amounts owed by parent undertaking	152,681	1,137
Amounts owed by subsidiary undertakings	54,768	57,559
Amounts owed by associated undertakings	-	118,040
Other debtors	6,176	4,366
Prepayments and accrued income	84,100	27,399
	<u>579,338</u>	<u>706,077</u>

	2007 £	2006 £
Amounts falling due after one year		
Deferred tax	<u>6,945</u>	<u>12,328</u>

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

	2007 £	2006 £
At the beginning of the year	12,328	9,328
(Charged)/credited in the profit and loss account	(5,383)	3,000
At the end of the year	<u>6,945</u>	<u>12,328</u>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

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

	2007 £	2006 £
Excess of depreciation over capital allowances	<u>6,945</u>	<u>12,328</u>

GREENSHIELDS, COWIE & CO. LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER****2007 (Continued)****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Trade creditors	59,933	216,216
Amounts owed to parent undertaking	217,634	132,198
Amounts owed to subsidiary undertakings	263,793	229,751
Amounts owed to associated undertakings	-	9,124
Other creditors	2,604	2,852
Taxation and social security	118,966	161,630
Accruals and deferred income	147,212	337,861
	<u>810,142</u>	<u>1,089,632</u>
	=====	=====

12. SHARE CAPITAL

	2007	2006
	£	£
Authorised share capital, 12,650 ordinary shares of £1 each (2006 12,650 ordinary shares of £1 each)	12,650	12,650
	=====	=====
Issued, allotted and fully paid, 12,650 ordinary shares of £1 each (2006 12,650 ordinary shares of £1 each)	12,650	12,650
	=====	=====

13. RESERVES

	P&L Reserve	Revaluation Reserve
	£	£
Balance at 1 January 2007	1,338,780	-
Profit for the year / Revaluation of property	285,701	283,079
Dividends paid	(800,000)	-
Balance at 31 December 2007	<u>824,481</u>	<u>283,079</u>
	=====	=====

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS

	2007	2006
	£	£
Opening shareholders' funds	1,351,430	890,827
Profit for the year	285,701	460,603
Dividends paid	(800,000)	-
Revaluation of property	<u>283,079</u>	<u>-</u>
Closing shareholders' funds	<u>1,120,210</u>	<u>1,351,430</u>
	=====	=====

GREENSHIELDS, COWIE & CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2007 (Continued)

15. 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 2007. 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.

16. RELATED PARTIES

As the company is a wholly owned subsidiary of the above company, and is included in the consolidated accounts of that company, which are publicly available, 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.