

Company Registration Number: 337651

GREENSHIELDS, COWIE & CO. LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2003**



GREENSHIELDS, COWIE & CO. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

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GREENSHIELDS, COWIE & CO. LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2003

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2003.

DIRECTORS

The members of the Board during the year were:

K G White (Chairman)	D F Cook
J R C Ellery	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.

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.

RESULTS

The profit for the year after tax was £237,417 (2002: loss £109,462). The Directors do not recommend payment of a dividend (2002: 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 2003 (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: 22 September 2004

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes, and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with 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 at 31st December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London 2004

22 September

GREENSHIELDS, COWIE & CO. LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2003**

	Notes	2003 £	2002 £
Turnover	1(d)	1,082,943	995,772
Cost of Sales		(898,864)	(909,443)
Gross Profit		<u>184,079</u>	<u>86,329</u>
Administrative expenses		(261,096)	(261,342)
Loss on ordinary activities before interest and taxation	2	<u>(77,017)</u>	<u>(175,013)</u>
Dividend receivable from subsidiary undertaking		289,759	-
Income from shares in group undertakings		16,292	18,001
Interest receivable	4	865	1,944
Profit/(loss) on ordinary activities before taxation		<u>229,899</u>	<u>(155,068)</u>
Tax relief on loss on ordinary activities	5	7,518	45,606
Profit/(loss) for the financial year after taxation		<u>237,417</u>	<u>(109,462)</u>
Reserves brought forward		586,791	696,253
Reserves carried forward	11	<u>824,208</u>	<u>586,791</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**For the year ended 31 December 2003**

	2003 £	2002 £
Total recognised profits/(losses) relating to the year	237,417	(109,462)
Prior year adjustments	-	8,764
Total recognised gains and losses since the last Annual Report	<u>237,417</u>	<u>(100,698)</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.

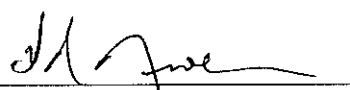
GREENSHIELDS, COWIE & CO. LIMITED

BALANCE SHEET

As at 31 December 2003

	Notes	2003 £	2002 £
Fixed Assets			
Tangible Assets	6	198,628	164,494
Investments	7	266,858	266,858
		<u>465,486</u>	<u>431,352</u>
Current Assets			
Debtors - amounts falling due within one year	8	935,593	571,225
Debtors - amounts falling due after one year	8	244	11,828
Cash at bank and in hand		3,927	3,732
Cash at bank with fellow subsidiary		403,745	248,542
		<u>1,343,509</u>	<u>835,327</u>
Creditors: Amounts falling due within one year	9	<u>(972,137)</u>	<u>(667,238)</u>
Net current assets		<u>371,372</u>	<u>168,089</u>
Total assets less current liabilities		<u><u>836,858</u></u>	<u><u>599,441</u></u>
Capital and Reserves			
Called-up share capital	10	12,650	12,650
Profit and loss account	11	824,208	586,791
Equity Shareholders' Funds	12	<u><u>836,858</u></u>	<u><u>599,441</u></u>

Approved by the Board
and signed on their behalf by


Director:

22 September 2004
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 2003

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).

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

The Company has adopted FRS19 "Deferred Tax", which requires full provision to be 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 (Continued)

1. ACCOUNTING POLICIES (Continued)

d) TURNOVER

Turnover represents the amount of 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

Pension costs for the Group's defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employees' estimated working lives with the Group. Variations from the regular cost are spread over the average remaining service lives of current employees. 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, which continues to follow the transitional arrangements available in respect of accounting for defined benefit schemes.

2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003	2002
Operating profit/(loss) is stated after charging:	£	£
Depreciation of tangible fixed assets	20,713	29,239
Auditors' remuneration	5,500	5,000
	=====	=====

3 STAFF COSTS

Directors' remuneration included in management fees was £86,442 (2002: £82,436). 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.

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

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

	2003	2002
	£	£
Wages and salaries	480,894	495,718
Social security costs	36,987	34,367
Pension costs	77,811	83,075
	<u>595,692</u>	<u>613,160</u>

The average number of employees in 2003 was 22 (2002: 23).

Retirement benefits are accruing to five (2002: five) 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

	2003	2002
	£	£
Interest receivable on deposits with fellow subsidiary undertakings	865	1,944
	<u>865</u>	<u>1,944</u>

5 TAXATION

(a) Analysis of charge for the year	2003	2002
	£	£
Current tax:		
Group relief receivable on corporation tax losses of the year	19,102	45,290
Deferred tax:		
Origin and reversal of timing differences	(11,584)	316
	<u>7,518</u>	<u>45,606</u>

(b) Factors affecting the tax charge for the year

	2003	2002
	£	£
Profit/(loss) on ordinary activities before tax	<u>229,899</u>	<u>(155,068)</u>
Profit/(loss) on ordinary activities before tax multiplied by the standard rate of tax in the UK of 30%	68,970	(46,520)
Effect of:		
Dividend receivable from UK subsidiary not taxable	(86,928)	-
Expenses not deductible for tax purposes	337	914
Accounting depreciation (in excess of)/less than tax depreciation	<u>(1,481)</u>	<u>316</u>
Group relief	<u>(19,102)</u>	<u>(45,290)</u>

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

6 TANGIBLE ASSETS

	Long leasehold land and building	Motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
COST				
At 1 January 2003	154,524	51,533	210,793	416,850
Additions	-	22,738	45,835	68,573
Disposals	-	(16,974)	(34,750)	(51,724)
At 31 December 2003	<u>154,524</u>	<u>57,297</u>	<u>221,878</u>	<u>433,699</u>
DEPRECIATION				
At 1 January 2003	28,245	30,148	193,963	252,356
Charge for the year	2,291	21,775	8,714	32,780
Disposals	-	(15,315)	(34,750)	(50,065)
At 31 December 2003	<u>30,536</u>	<u>36,608</u>	<u>167,927</u>	<u>235,071</u>
NET BOOK VALUE				
At 31 December 2003	<u>123,988</u>	<u>20,689</u>	<u>53,951</u>	<u>198,628</u>
At 31 December 2002	<u>126,279</u>	<u>21,385</u>	<u>16,830</u>	<u>164,494</u>

7 INVESTMENTS

	Shares in group undertakings	Shares in Associated Undertakings	Loans to associated undertakings	Other participating interests	Total
	£	£	£	£	£
COST					
At 1 January 2003 and at 31 December 2003	<u>78,264</u>	<u>136,936</u>	<u>51,558</u>	<u>100</u>	<u>266,858</u>

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

7 INVESTMENTS (Continued)

The group and associated undertakings and other participating interests at 31 December 2003 were:

	Main business	Country of incorporation	Proportion of Nominal value of shares held %
The Knight Line Ltd (name changed from Green Shield Shipping Services 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
ES-KO (UK) Ltd	Catering & general resources	England	49
Green Shield Shipping Services Ltd (name changed from the Knight Line Ltd)*	Packing & freight forwarding	England	100

* The entity ceased trading in the year.

8 DEBTORS

	2003 £	2002 £
Amounts falling due within one year		
Trade debtors	337,274	273,184
Amounts owed by parent undertaking	92,430	-
Amounts owed by subsidiary undertakings	329,702	85,061
Amounts owed by associated undertakings	26,880	26,650
Other debtors	5,485	8,222
Prepayments and accrued income	143,822	178,108
	<u>935,593</u>	<u>571,225</u>
Amounts falling due after one year		
Deferred tax	244	11,828
	<u>244</u>	<u>11,828</u>

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

	2003 £	2002 £
At the beginning of the year	11,828	11,512
(Charged)/credited in the profit and loss account	(11,584)	316
At the end of the year	<u>244</u>	<u>11,828</u>

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

8 DEBTORS (Continued)

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

	2003	2002
	£	£
Excess of depreciation over capital allowances	244	11,828
	<u>=====</u>	<u>=====</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade creditors	312,693	191,531
Amounts owed to parent undertaking	-	29,950
Amounts owed to associated undertakings	368,697	365,959
Other creditors	338	992
Accruals and deferred income	290,409	78,806
	<u>972,137</u>	<u>667,238</u>
	<u>=====</u>	<u>=====</u>

10 SHARE CAPITAL

	2003	2002
	£	£
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>

11 RESERVES

	2003
	£
Balance at 1 January	586,791
Profit for the year	237,417
	<u>=====</u>
Balance at 31 December	824,208
	<u>=====</u>

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

12 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS

	2003	2002
	£	£
Opening shareholders' funds	599,441	708,903
Profit/(loss) for the year	237,417	(109,462)
Closing shareholders' funds	<u>836,858</u>	<u>599,441</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 2003. 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 with related parties during the period.