

Registration number 668421

International Trading Services (UK) Company Limited

Directors' report and financial statements

for the year ended 31 December 2003



International Trading Services (UK) Company Limited

Company information

Directors	R.E. Cornwell I.S. McIntosh P.H. Akroyd
Secretary	A.M. Payne
Company number	668421
Registered office	Queensberry House 3 Old Burlington Street London W1S 3LD
Auditors	Constantin Aldwych House 81 Aldwych London WC2B 4HN

International Trading Services (UK) Company Limited

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International Trading Services (UK) Company Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the financial statements for the year ended 31 December 2003.

Principal activity and review of the business

The principal activity of the company is to act as a holding company. The principal activity of its subsidiaries is that of commodity trading.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend (2002: £nil).

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

		Ordinary shares	
		31/12/03	01/01/03
		or date of appointment	
R.E. Cornwell		-	-
I.S. McIntosh		-	-
P.H. Akroyd	(Appointed 21/03/03)	-	-
S.W. Martin	(Resigned 11/04/03)	-	-

Directors' and owners' liability insurance

During the year the company purchased and maintained liability insurance for its directors and officers, as permitted by Section 310(3) of the Companies Act 1985.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 the going concern basis unless it is inappropriate to presume 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.

Auditors

International Trading Services (UK) Company Limited

**Directors' report
for the year ended 31 December 2003**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Constantin be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on ...18.8.04..... and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A. Payne', written over the printed name.

A.M. Payne
Secretary

International Trading Services (UK) Company Limited

Independent auditors' report to the shareholders of International Trading Services (UK) Company Limited

We have audited the financial statements of International Trading Services (UK) Company Limited for the year ended 31 December 2003 which comprise the Profit and Loss Account, 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 so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone 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 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.

International Trading Services (UK) Company Limited

**Independent auditors' report to the shareholders of
International Trading Services (UK) Company Limited**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Constantin
Registered Auditors**

Date 20 August 2004.

International Trading Services (UK) Company Limited

**Profit and Loss Account
for the year ended 31 December 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Administrative expenses		(119,944)	(143,587)
Operating loss	2	(119,944)	(143,587)
Loss on ordinary activities before taxation		(119,944)	(143,587)
Tax on loss on ordinary activities	4	(80,906)	(46,790)
Loss on ordinary activities after taxation		(200,850)	(190,377)
Loss for the year		(200,850)	(190,377)
Retained profit brought forward		1,557,030	1,747,407
Retained profit carried forward		1,356,180	1,557,030

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 10 form an integral part of these financial statements.

International Trading Services (UK) Company Limited

**Balance Sheet
as at 31 December 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Investments	5		6,149,499		839,740
Current assets					
Debtors	6	1,071,436		1,191,365	
		<u>1,071,436</u>		<u>1,191,365</u>	
Creditors: amounts falling due within one year	7	<u>(5,863,755)</u>		<u>(473,075)</u>	
Net current (liabilities)/assets			<u>(4,792,319)</u>		<u>718,290</u>
Net assets			<u><u>1,357,180</u></u>		<u><u>1,558,030</u></u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account			<u>1,356,180</u>		<u>1,557,030</u>
Shareholders' funds	9		<u><u>1,357,180</u></u>		<u><u>1,558,030</u></u>

The financial statements were approved by the Board on 17/8/04 and signed on its behalf by


I.S. McIntosh
Director

The notes on pages 7 to 10 form an integral part of these financial statements.

International Trading Services (UK) Company Limited

Notes to the financial statements for the year ended 31 December 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable Accounting Standards.

1.2. Going concern

Although the company is in a current liability position, the financial statements have been prepared on a going concern basis as the parent company, Louis Dreyfus Trading Limited, has indicated its willingness to support the company for the foreseeable future.

1.3. Investments

Fixed asset investments are stated at cost less provision for impairment.

1.4. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.5. Cash flow statement

In accordance with Financial Reporting Standard No.1, the company has taken advantage of the exemption for subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to prepare a cash flow statement, as the consolidated financial statements in which the company is included are publicly available.

1.6. Related party transactions

In accordance with Financial Reporting Standard No.8, the company has taken advantage of the exemption for subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to disclose related party transactions, as the consolidated financial statements in which the company is included are publicly available.

1.7. Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

1.8. Consolidation

The accounts contain information about International Trading Services (UK) Company Limited as an individual company. In accordance with the provisions of FRS 2 and Companies Act 1985 section 228(2) and section 228(1)(b), the company has taken advantage of the exemption, available to it, from the requirement to prepare consolidated financial statements.

International Trading Services (UK) Company Limited

Notes to the financial statements for the year ended 31 December 2003

2. Operating loss	2003	2002
	£	£
Operating loss is stated after charging:		
Exchange differences	119,929	127,603
Auditors' remuneration	-	2,151
	<u> </u>	<u> </u>

The audit and taxation fees for the year have been borne by another group company.

3. Employees and directors

The company has no employees, apart from the directors.

The directors did not receive any emoluments during the year for their services to the company (2002 : nil).

4. Tax on loss on ordinary activities

Analysis of charge in period	2003	2002
	£	£
Current tax		
UK corporation tax	137,500	-
Adjustments in respect of previous periods	(56,594)	46,790
	<u>80,906</u>	<u>46,790</u>

Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003	2002
	£	£
Loss on ordinary activities before taxation	<u>(119,944)</u>	<u>(143,587)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2002 : 30%)	(35,983)	(43,076)
Effects of:		
Adjustments to tax charge in respect of previous periods	(56,594)	46,790
Unrelieved tax loss	-	43,076
Group relief received for no consideration	(23,388)	-
Tax provided on profits of overseas subsidiaries taxable in UK	<u>196,871</u>	<u>-</u>
Current tax charge for period	<u>80,906</u>	<u>46,790</u>

International Trading Services (UK) Company Limited

**Notes to the financial statements
for the year ended 31 December 2003**

5. Investments	Shares in subsidiary undertakings £	Other unlisted investments £	Total £
Cost			
At 1 January 2003	839,740	-	839,740
Additions	2,793	5,306,966	5,309,759
At 31 December 2003	842,533	5,306,966	6,149,499
Net book values			
At 31 December 2003	842,533	5,306,966	6,149,499
At 31 December 2002	839,740	-	839,740

5.1. Investments

Company	Country of registration or incorporation	Shares held class	Proportion of shares held
Kazimah Holdings Limited	Cyprus	Ordinary	100%
Louis Dreyfus Commodities Limited	British Virgin Islands	Ordinary	100%
S.A.C.E.I.F. Louis Dreyfus & Cia Ltda	Argentina	Ordinary	8%

6. Debtors	2003 £	2002 £
Amounts owed by group undertakings	1,071,436	1,191,365

7. Creditors: amounts falling due within one year	2003 £	2002 £
Amounts owed to group undertakings	5,726,255	416,481
Corporation tax	137,500	56,594
	5,863,755	473,075

International Trading Services (UK) Company Limited

Notes to the financial statements for the year ended 31 December 2003

8. Share capital	2003	2002
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
9. Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Opening shareholders' funds	1,558,030	1,748,407
Loss for the year	(200,850)	(190,377)
Closing shareholders' funds	1,357,180	1,558,030

10. Immediate parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Louis Dreyfus Trading Limited, incorporated in the United Kingdom. The company's ultimate parent company and controlling party is Louis Dreyfus S.A.S., a company incorporated in France.

11. Group accounts

The largest and smallest group for which group accounts are prepared, and of which the company is a member is:

	<u>Largest</u>	<u>Smallest</u>
Name	Louis Dreyfus S.A.S.	Louis Dreyfus & Co. Limited
Country of incorporation	France	United Kingdom
Address from where copies of consolidated financial statements can be obtained	87 Avenue de la Grande Armée 75782 Paris	Queensberry House 3 Old Burlington Street London W1S 3LD