

Registration number 668421

**International Trading Services (UK) Company Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2006**

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# **International Trading Services (UK) Company Limited**

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## **International Trading Services (UK) Company Limited**

### **Directors' report for the year ended 31 December 2006**

The directors present their report and the financial statements for the year ended 31 December 2006

#### **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.

The directors consider the results achieved by the company to be satisfactory.

#### **Results and dividends**

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

The directors do not recommend payment of a dividend (2005 - US\$nil).

#### **Directors and their interests**

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

	<b>Ordinary Shares</b>	
	<b>31/12/06</b>	<b>01/01/06</b>
I S McIntosh	-	-
P H Akroyd	-	-

#### **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**

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

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.

**International Trading Services (UK) Company Limited**

**Directors' report  
for the year ended 31 December 2006**

In the case of each of the persons who are directors at the time when the report is approved

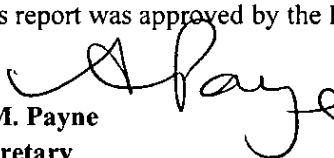
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

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

21-05-2007

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

  
**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 2006 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 (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).

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 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 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**

**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 2006 and of its profit for the year then ended, and

- have been properly prepared in accordance with the Companies Act 1985



Constantin  
Registered Auditors

Date 8 June 2007

Aldwych House  
81 Aldwych  
London  
WC2B 4HN

**International Trading Services (UK) Company Limited**

**Profit and loss account  
for the year ended 31 December 2006**

		<b>Continuing operations</b>	
		<b>2006</b>	<b>2005</b>
	<b>Notes</b>	<b>US\$</b>	<b>US\$</b>
Administrative expenses		(124)	(10,260)
Other operating income		-	31,036
<b>Operating (loss)/profit</b>	<b>2</b>	<u>(124)</u>	<u>20,776</u>
Profit on disposal of fixed asset investments		3,643,000	-
Income from shares in group undertakings	<b>3</b>	1,657,000	-
Interest receivable and similar income	<b>4</b>	371,510	431,765
Interest payable and similar charges	<b>5</b>	-	(417,235)
<b>Profit on ordinary activities before taxation</b>		<u>5,671,386</u>	<u>35,306</u>
Tax on profit on ordinary activities	<b>7</b>	<u>(658,895)</u>	<u>(26,206)</u>
<b>Profit on ordinary activities after taxation</b>		<u>5,012,491</u>	<u>9,100</u>
Retained profit brought forward		<u>708,092</u>	<u>698,992</u>
<b>Retained profit carried forward</b>		<u><u>5,720,583</u></u>	<u><u>708,092</u></u>

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 12 form an integral part of these financial statements.**

**International Trading Services (UK) Company Limited**

**Balance sheet  
as at 31 December 2006**

		2006		2005	
	Notes	US\$	US\$	US\$	US\$
<b>Fixed assets</b>					
Investments	8		26,035		26,035
<b>Current assets</b>					
Debtors	9	6,574,581		904,321	
		<u>6,574,581</u>		<u>904,321</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(658,895)</u>		<u>(1,126)</u>	
<b>Net current assets</b>			<u>5,915,686</u>		<u>903,195</u>
<b>Total assets less current liabilities</b>			<u><u>5,941,721</u></u>		<u><u>929,230</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Exchange reserve	12		220,138		220,138
Profit and loss account	12		5,720,583		708,092
<b>Shareholders' funds</b>	13		<u><u>5,941,721</u></u>		<u><u>929,230</u></u>

The financial statements were approved by the Board on 21-05-2007 and signed on its behalf by

  
**I.S. McIntosh**  
**Director**

**The notes on pages 7 to 12 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 2006**

#### **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

The accounts are prepared in US\$ as this is the main operating currency of the company

##### **1.2. Investments**

Fixed asset investments are stated at cost less provision for diminution in value

##### **1.3. 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

##### **1.4. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting 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. Consolidation**

The financial statements 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, the company has taken advantage of the exemption, available to it, from the requirement to prepare consolidated financial statements

##### **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. 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

**International Trading Services (UK) Company Limited**

**Notes to the financial statements  
for the year ended 31 December 2006**

<b>2. Operating (loss)/profit</b>	<b>2006</b>	<b>2005</b>
	<b>US\$</b>	<b>US\$</b>
Operating (loss)/profit is stated after charging		
Loss on foreign currencies	124	(31,036)
Auditors' remuneration	-	1,216
	<u>          </u>	<u>          </u>

The audit and taxation fees for 2006 were borne by another group company

<b>3. Income from shares in group undertakings</b>	<b>2006</b>	<b>2005</b>
	<b>US\$</b>	<b>US\$</b>
Income from subsidiary undertakings	1,657,000	-
	<u>          </u>	<u>          </u>

<b>4. Interest receivable and similar income</b>	<b>2006</b>	<b>2005</b>
	<b>US\$</b>	<b>US\$</b>
Group interest	371,510	431,765
	<u>          </u>	<u>          </u>

<b>5. Interest payable and similar charges</b>	<b>2006</b>	<b>2005</b>
	<b>US\$</b>	<b>US\$</b>
Included in this category is the following		
On amounts payable to group companies	-	417,235
	<u>          </u>	<u>          </u>

**6. 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 (2005-\$nil)

**International Trading Services (UK) Company Limited**

**Notes to the financial statements  
for the year ended 31 December 2006**

**7. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2006</b>	<b>2005</b>
	<b>US\$</b>	<b>US\$</b>
<b>Current tax</b>		
UK corporation tax	658,895	(28,155)
Overseas tax	-	54,361
Total current tax charge	<u>658,895</u>	<u>26,206</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 per cent)  
The differences are explained below

	<b>2006</b>	<b>2005</b>
	<b>US\$</b>	<b>US\$</b>
Profit on ordinary activities before taxation	<u>5,671,386</u>	<u>35,306</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2005 30%)	1,701,416	10,592
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	247
s171 nil gain nil loss transfer profits	(1,092,900)	-
CFC taxable profits	44,391	19,403
Group relief received for no consideration	-	(30,242)
Effects of overseas tax	-	54,361
Foreign exchange movement on tax liability	5,988	(28,155)
Current tax charge for period	<u>658,895</u>	<u>26,206</u>

**International Trading Services (UK) Company Limited**

**Notes to the financial statements  
for the year ended 31 December 2006**

<b>8. Investments</b>	<b>Shares in subsidiary undertakings US\$</b>
<b>Cost</b>	
At 1 January 2006	8,728,051
Disposals	(8,702,016)
At 31 December 2006	<u>26,035</u>
<b>Provisions for diminution in value:</b>	
At 1 January 2006	8,702,016
Disposals	(8,702,016)
At 31 December 2006	<u>-</u>
<b>Net book values</b>	
At 31 December 2006	<u>26,035</u>
At 31 December 2005	<u><u>26,035</u></u>

**8.1. Investments**

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Class of shares held</b>	<b>Proportion of shares held</b>
<b>Subsidiary undertaking</b>			
Louis Dreyfus Commodities Limited	British Virgin Islands	Ordinary	100%

<b>9. Debtors</b>	<b>2006 US\$</b>	<b>2005 US\$</b>
Amounts owed by group undertakings	<u>6,574,581</u>	<u>904,321</u>

<b>10. Creditors, amounts falling due within one year</b>	<b>2006 US\$</b>	<b>2005 US\$</b>
Corporation tax	658,895	-
Accruals and deferred income	-	1,126
	<u>658,895</u>	<u>1,126</u>

**International Trading Services (UK) Company Limited**

**Notes to the financial statements  
for the year ended 31 December 2006**

<b>11. Share capital</b>	<b>2006</b>	<b>2005</b>	
	<b>US\$</b>	<b>US\$</b>	
<b>Authorised equity</b>			
1,000 Ordinary shares of US\$1 each	<u>1,000</u>	<u>1,000</u>	
<b>Allotted, called up and fully paid equity</b>			
1,000 Ordinary shares of US\$1 each	<u>1,000</u>	<u>1,000</u>	
<b>12. Equity Reserves</b>	<b>Profit and loss account US\$</b>	<b>Exchange reserve US\$</b>	<b>Total US\$</b>
<b>At 1 January 2006</b>	708,092	220,138	928,230
Retained profit for the year	<u>5,012,491</u>		<u>5,012,491</u>
<b>At 31 December 2006</b>	<u>5,720,583</u>	<u>220,138</u>	<u>5,940,721</u>
<b>13. Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>	
	<b>US\$</b>	<b>US\$</b>	
Profit for the year	5,012,491	9,100	
Opening shareholders' funds	<u>929,230</u>	<u>920,130</u>	
Closing shareholders' funds	<u>5,941,721</u>	<u>929,230</u>	

**14. Ultimate parent undertaking and controlling party**

The company's ultimate parent company and controlling party is Louis Dreyfus S A S , a company incorporated in France

**International Trading Services (UK) Company Limited**

**Notes to the financial statements  
for the year ended 31 December 2006**

**15. Group accounts**

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

	<u>Largest</u>	<u>Smallest</u>
<b>Name</b>	Louis Dreyfus S A S	Louis Dreyfus & Co Limited
<b>Country of incorporation</b>	France	United Kingdom
<b>Address from where copies of consolidated financial statements can be obtained</b>	152 Avenue de Malakoff 75016 Paris	Golden Cross House 8 Duncannon Street London WC2N 4JF