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**INTERNATIONAL TRADING SERVICES  
(UK) COMPANY LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
31 DECEMBER 2002**



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**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

The directors submit their annual report and the audited accounts for the year ended 31 December 2002.

**Principal activities**

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 loss for the year after taxation was £133,783 (2001: £416,262 profit).

The directors do not recommend the payment of a dividend (2001: nil).

**Close company status**

The company is a close company within the meaning of the provisions of the Income and Corporation Taxes Act 1988. This status has not changed since the year end.

**Directors**

The directors in office during the year and up to the date of this report were:

R.E. Cornwell	
R.G. Bourne	(Resigned 03.05.02)
R.L. Caperton	(Resigned 03.05.02)
I.S. McIntosh	
S.W. Martin	(Appointed 03.05.02, Resigned 21.03.03)
P.H. Akroyd	(Appointed 21.03.03)

None of the directors had a beneficial interest in the shares of the company or in any other group company registered in the UK.

**Directors' and officers' 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.

**Auditors**

A resolution to reappoint Constantin will be put to the members at the Annual General Meeting.

**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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 period.

In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments 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.

By order of the Board



**A.M. Payne**

**Secretary**

**9 JULY 2003**

Registered company number: 668421

Registered office:      Queensberry House  
                                 3 Old Burlington Street  
                                 London  
                                 W1S 3LD

## **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 2002 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 auditor's 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 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 affairs of the company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Constantin

Registered Auditors

21 July 2003.

**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

	<u>NOTES</u>	<u>2002</u>	<u>2001</u>
		£	£
Administrative expenses		(143,587)	43,916
<b>Operating (loss)/profit</b>	<b>2</b>	<u>(143,587)</u>	<u>43,916</u>
Interest payable & other charges	<b>3</b>	-	(11,183)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(143,587)</u>	<u>32,733</u>
Tax on (loss)/profit on ordinary activities	<b>5</b>	(46,790)	383,529
<b>(Loss)/profit on ordinary activities after taxation</b>		<u>(190,377)</u>	<u>416,262</u>
<b>Retained earnings brought forward</b>		1,747,407	1,331,145
<b>Retained earnings carried forward</b>		<u><u>1,557,030</u></u>	<u><u>1,747,407</u></u>

There are no gains or losses other than those recognised in the profit and loss account for the current and previous year.

All amounts relate to continuing activities.

The notes on pages 6 to 9 form an integral part of these accounts.

**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2002**

	<u>NOTES</u>	<u>2002</u>	<u>2001</u>
		£	£
<b>Fixed Assets</b>			
Investments	6	<u>839,740</u>	<u>826,368</u>
<b>Current Assets</b>			
Debtors	7	1,191,365	2,157,490
<b>Creditors: Amounts falling due within one year</b>	8	(473,075)	(1,235,451)
<b>Net Current Assets</b>		<u>718,290</u>	<u>922,039</u>
<b>Total Assets less Current Liabilities</b>		<u>1,558,030</u>	<u>1,748,407</u>
<b>Capital and Reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account		1,557,030	1,747,407
<b>Shareholders' Funds</b>	10	<u>1,558,030</u>	<u>1,748,407</u>

Approved by the Board of Directors on 9 July 2003 and signed on its behalf by:

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

The notes on pages 6 to 9 form an integral part of these accounts.

**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**1. Accounting policies**

(i) Basis of accounting

The accounts are drawn up under the historical cost convention and in accordance with applicable accounting standards.

(ii) Investments

Investments in subsidiary companies are stated at cost less provision for impairment.

(iii) Foreign currency items

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

(iv) 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.

(v) 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.

(vi) Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items 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.

(vii) 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.

**2. Operating loss**

This is stated after charging/(crediting):

	<u>2002</u>	<u>2001</u>
	£	£
Exchange differences	127,603	(56,083)
Auditors' remuneration	<u>2,151</u>	<u>1,491</u>

**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**3. Interest payable and similar charges**

	<u>2002</u>	<u>2001</u>
	£	£
Other	<u>-</u>	<u>11,183</u>

**4. Employees and directors**

The company had no employees during the year, other than the directors (2001: nil). The directors received no emoluments (2001: nil) during the year for their services to the company.

**5. Taxation**

a) Analysis of charges in the year:

	<u>2002</u>	<u>2001</u>
	£	£
UK corporation tax on profits of the period	-	49,695
Adjustments in respect of previous periods	46,790	(433,224)
Tax on loss/profit on ordinary activities	<u>46,790</u>	<u>(383,529)</u>

b) Factors affecting tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2002</u>	<u>2001</u>
	£	£
(Loss)/profit on ordinary activities before tax	(143,587)	32,733
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	(43,076)	9,820
Effects of:		
Unrelieved tax loss	43,076	-
Other	-	39,875
Adjustments to tax charge in respect of previous periods	46,790	(433,224)
Tax on profit on ordinary activities	<u>46,790</u>	<u>(383,529)</u>



**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**6. Investments**

	£
Balance at 1 January 2002	826,368
Additions	<u>13,372</u>
At 31 December 2002	<u>839,740</u>

Investments relate to the following:

- (i) The entire share capital of Kazimah Holdings Limited, a company incorporated in Cyprus. The principal activity of Kazimah Holdings Limited is to act as a holding company for subsidiaries involved in commodity trading.  
 As at 31 December 2002, the company had net assets of £1,074,771 and a profit of £188,646 for the year then ended.
- (ii) The entire share capital of LD Commodities Limited which was acquired in May 2002.  
 LD Commodities Limited is registered in the British Virgin Islands and its principal activity is that of commodity trading.  
 At the time of signing of the financial statements, it was not practicable to disclose the net assets and the profit of the company. The company's accounting period ends on 31 December.

**7. Debtors**

	<u>2002</u>	<u>2001</u>
	£	£
Amounts owed by group undertakings	<u>1,191,365</u>	<u>2,157,490</u>

**8. Creditors**

	<u>2002</u>	<u>2001</u>
	£	£
Amounts owed to group undertakings	416,481	1,185,756
Other creditors	-	49,695
Corporation tax	56,594	-
	<u>473,075</u>	<u>1,235,451</u>

**9. Share capital**

	<u>2002</u>	<u>2001</u>
	£	£
<b>Authorised, allotted and fully paid:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**INTERNATIONAL TRADING SERVICES (UK) COMPANY LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

**10. Reconciliation of movement in shareholders' funds**

	<u>2002</u>	<u>2001</u>
	£	£
Opening shareholders' funds	1,748,407	1,332,145
(Loss)/profit attributable to shareholders for the year	<u>(190,377)</u>	<u>416,262</u>
Closing shareholders' funds	<u>1,558,030</u>	<u>1,748,407</u>

**11. Immediate parent undertaking and ultimate controlling party**

The company's immediate parent company is Louis Dreyfus Trading Limited, registered in England & Wales, which owns 100% of the company's share capital.

In the opinion of the directors, the ultimate controlling party is SA Louis Dreyfus et Cie, incorporated in France.

**12. Group accounts**

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

	<u>Largest</u>	<u>Smallest</u>
<b>Name</b>	S A Louis Dreyfus et Cie	Louis Dreyfus & Co. Ltd
<b>Country of incorporation</b>	France	England and Wales
<b>Address from where copies of the group accounts can be obtained.</b>	87 Avenue de la Grande Armee, 75782 Paris.	Queensberry House 3 Old Burlington Street, London W1S 3LD.