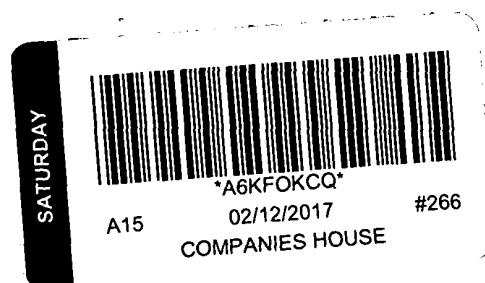


# **Cargill Holdings**

## **Directors' report, strategic report and financial statements**

31 May 2017

Registered number 00986532



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## **Directors' report**

### **Introduction**

The directors present their annual report and the audited financial statements for the year ended 31 May 2017.

### **Principal activities**

The company is a holding company for the UK financial businesses.

### **Directors and directors' interests**

The directors who served during the year and at the report date were:

S J Hamilton  
M J Timewell

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board

Velocity V1  
Brooklands Drive  
Weybridge  
Surrey  
KT13 0SL

*Michael Timewell*

**M Timewell**  
*Director*  
21 November 2017

## Strategic report

### Business review and summary results

Summarised results are given below:

	2017	2016
	\$m	\$m
Profit for the financial year	1.4	0.6

### Financial risk

The company is exposed to movements in the level of interest rates. The deposit arrangement is managed through a centrally managed treasury function within a fellow subsidiary.

### Proposed dividend

During the year the company declared and paid a dividend of \$360m (2016: \$nil).

### Policy and practice on payment of creditors

The company aims to pay all its creditors promptly. It is the company's policy to agree the terms of payment with its suppliers, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other obligations.

By order of the board

*Michael Timewell*

**M Timewell**  
*Director*  
21 November 2017

Velocity V1  
Brooklands Drive  
Weybridge  
Surrey  
KT13 0SL

## **Statement of directors' responsibilities in respect of the directors' report, strategic report and the financial statements**

The directors are responsible for preparing the directors' report, strategic 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They 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.



## **Independent auditor's report to the members of Cargill Holdings**

We have audited the financial statements of Cargill Holdings for the year ended 31 May 2017 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its profit for period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the strategic report and the directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion this reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Anthony Hambleton** (Senior Statutory Auditor)

*for and on behalf of KPMG LLP, Statutory Auditor*

**Chartered Accountants**

St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

28 November 2017

**Profit and loss account**  
*for the year ended 31 May 2017*

	<i>Note</i>	2017 \$000	2016 \$000
Administrative income		14	81
<b>Operating profit</b>		<b>14</b>	<b>81</b>
Interest payable and similar charges	2	(27)	-
Other interest receivable and similar income	3	1,722	716
<b>Profit before taxation</b>		<b>1,709</b>	<b>797</b>
Tax on profit	5	(342)	(159)
<b>Profit for the financial year</b>		<b>1,367</b>	<b>638</b>

All of the results are derived from continuing operations.

**Statement of other comprehensive income**  
*for the year ended 31 May 2017*

	2017 \$000	2016 \$000
Profit for the financial year	1,367	638
<b>Total comprehensive income</b>	<b>1,367</b>	<b>638</b>

**Balance sheet**  
at 31 May 2017

		2017		2016	
	Note	\$000	\$000	\$000	\$000
<b>Fixed assets</b>					
Investments	6		148,566		148,566
<b>Current assets</b>					
Debtors	7	3,127		286,554	
		<u>3,127</u>		<u>286,554</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(371)</u>		<u>(165)</u>	
<b>Net current assets</b>			2,756		286,389
<b>Total assets</b>			151,322		434,955
<b>Creditors: amounts falling due after one year</b>	9		(75,000)		-
<b>Net assets</b>			<u>76,322</u>		<u>434,955</u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Profit and loss account			76,322		434,955
<b>Shareholder's funds</b>			<u>76,322</u>		<u>434,955</u>

These financial statements were approved by the board of directors on 21 November 2017 and were signed on its behalf by:

*Michael Timewell*

**M Timewell**  
Director



**Statement of changes in equity**  
*for the year ended 31 May 2017*

	Share Capital \$000	Share Premium \$000	Profit and loss account \$000	Total \$000
At 1 June 2015	-	-	434,317	434,317
Total comprehensive income	-	-	638	638
At 31 May 2016	-	-	434,955	434,955

	Share Capital \$000	Share Premium \$000	Profit and loss account \$000	Total \$000
At 1 June 2016	-	-	434,955	434,955
Total comprehensive income	-	-	1,367	1,367
<i>Transactions with owners, recorded directly in equity</i>				
Dividends			(360,000)	(360,000)
At 31 May 2017	-	-	76,322	76,322

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

#### ***Statement of compliance***

Cargill Holdings is a private unlimited liability company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 00986532 and the registered office is Velocity 1, Brooklands Drive, Weybridge, Surrey KT13 0SL.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest US\$1,000.

FRS 102 grants certain exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Designation of previously recognised financial instruments – certain financial assets and liabilities were at 1 June 2014 designated at fair value through profit or loss.
- Lease incentives – for leases commenced before 1 June 2014 the Company continued to account for lease incentives under previous UK GAAP.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained from the address stated in note 11. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and on a going concern basis.

#### ***Functional currency and presentation currency***

The functional currency of the company is US dollars since the interest income and assets are denominated in US dollars. The reporting currency of these financial statements is US dollars.

**Notes (continued)**

**1 Accounting policies (continued)**

***Foreign currency transactions***

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to dollars at foreign exchange rates ruling at the dates the fair value was determined.

***Taxation***

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

A deferred tax asset is recognised to the extent it is regarded as recoverable. Provision is made at rates of taxation anticipated to be in force when the timing differences are expected to reverse.

***Fixed asset investments***

Investments in subsidiary undertakings are recorded at cost less provision for any permanent diminution in value.

***Basic financial instruments***

***Trade and other debtors / creditors***

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

***Interest-bearing borrowings classified as basic financial instruments***

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

***Expenses***

***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

**Notes (continued)**

**2 Other interest payable and similar charges**

	2017 \$000	2016 \$000
<i>Payable to group undertaking</i>		
Interest on long term debt	(27)	-
	<u>(27)</u>	<u>-</u>

**3 Other interest receivable and similar income**

	2017 \$000	2016 \$000
Receivable from group undertakings	1,722	716
	<u>1,722</u>	<u>716</u>

**4 Expenses and auditor's remuneration**

The following amounts in respect of auditor's remuneration were borne by other group undertakings:

	2017 \$000	2016 \$000
<i>Auditor's remuneration:</i>		
Audit of these financial statements	3	3
	<u>3</u>	<u>3</u>

There were no employees during the year (2016: none). The directors' emoluments were borne by other group undertakings. The qualifying services that they provide to the company are incidental and it is not practicable to allocate any of their remuneration to the company.

**Notes** (continued)

**5 Taxation**

	2017 \$000	2016 \$000
<b>Total tax expense in the profit and loss account</b>		
<i>Current tax</i>		
UK corporation tax at 19.83% (2016: 20.00%)	342	159
Tax charge on profit	<u>342</u>	<u>159</u>
<b>Factors affecting the total tax charge in the year</b>		
The current tax assessment for the period is higher (2016: same as) than the standard rate of corporation tax in the UK of 19.83% (2016: 20.00%)		
The differences are explained below:		
Profit for the financial year	1,367	638
Total tax charge	<u>342</u>	<u>159</u>
Profit before taxation	1,709	797
Profit multiplied by standard rate of corporation tax in the UK of 19.83% (2016: 20.00%)	339	159
Effects of:		
Exchange rate differences	<u>3</u>	<u>-</u>
Total tax charge for the year	<u>342</u>	<u>159</u>

**Factors that may affect future current and total tax charges**

Recent budgets have announced changes to the main rate of UK corporation tax. The current rate of 19.00% was enacted on 26 October 2015 and applied from 1 April 2017.

A further reduction to the main rate of corporation tax to 17% will apply from 1 April 2020 and was substantively enacted on 15 September 2016.

This reduces the company's future current tax rate accordingly.

**Notes** *(continued)*

**6 Fixed asset investments**

	\$000
Cost at 31 May 2017 and 31 May 2016	<u><u>148,566</u></u>

**Shares in group companies**

<i>Company name</i>	<i>Registered Office Address</i>	<i>Place of incorporation</i>	<i>Class of Shares</i>	<i>Percentage ownership 2017</i>	<i>Percentage ownership 2016</i>
Cargill Financial Markets Ltd	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%
Cargill Global Funding PLC	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%
Cargill Investment Holdings Limited	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%
Green Hercules Trading Limited	VelocityV1, Brooklands Drive, Weybridge, Surrey, KT13 0SL	UK	Ordinary	100%	100%

**7 Debtors**

	2017 \$000	2016 \$000
<i>Due within one year</i>		
Amounts owed by group undertakings - short term deposits	<u><u>3,127</u></u>	<u><u>286,554</u></u>

**8 Creditors: amounts falling due within one year**

	2017 \$000	2016 \$000
Amounts owed to group undertakings	32	10
Other creditors including taxation and social security	<u>339</u>	<u>155</u>
	<u><u>371</u></u>	<u><u>165</u></u>
<i>Amounts owed to group undertakings comprise:</i>		
Trade creditors	<u>32</u>	<u>10</u>
	<u><u>32</u></u>	<u><u>10</u></u>
<i>Other creditors including taxation and social security comprise:</i>		
Corporation tax	<u>339</u>	<u>155</u>
	<u><u>339</u></u>	<u><u>155</u></u>

**Notes** *(continued)*

**9 Creditors: amounts falling due after more than one year**

	2017 \$000	2016 \$000
Amounts owed to group undertakings - long term loan	<u>75,000</u>	<u>-</u>

The interest rate charged is 1.00356% and the loan is due for repayment on 19 May 2019.

**10 Called up share capital**

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
	\$	\$
In reporting currency of US dollars	<u>2</u>	<u>2</u>

**11 Ultimate holding company and parent undertaking**

The company is a wholly owned subsidiary of Cargill, Incorporated a company incorporated in USA. Cargill, Incorporated is the ultimate parent undertaking of Cargill Holdings, and is regarded by the directors as being the company's ultimate controlling party.

The parent undertaking of the smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this group are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.