

Cargill Holdings

Directors' report, strategic report and financial statements

31 May 2014

Registered number 986532

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Contents

| | |
|---|---|
| Directors' report | 1 |
| Strategic report | 2 |
| Statement of directors' responsibilities | 3 |
| Independent auditor's report to the members of Cargill Holdings | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 |

Directors' report

Introduction

The directors present their annual report and the audited financial statements for the year ended 31 May 2014.

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
R D Thurston

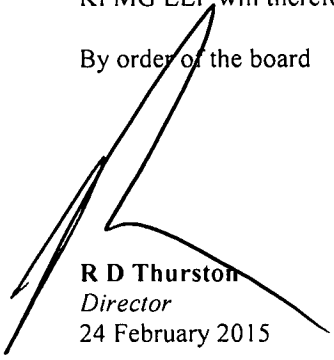
Disclosure of information to auditor

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



R D Thurston
Director
24 February 2015

Knowle Hill Park
Fairmile Lane
Cobham
Surrey
KT11 2PD

Strategic report

Business review and summary results

Summarised results are given below:

| | 2014 | 2013 |
|-------------------------------|-------------|------|
| | \$m | \$m |
| Profit for the financial year | 0.2 | 0.3 |

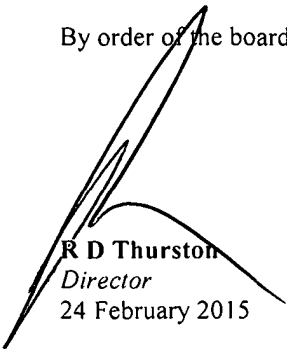
Proposed dividend

During the year the company declared and paid a dividend of \$Nil (2013: \$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



R D Thurston
Director
24 February 2015

Knowle Hill Park
Fairmile Lane
Cobham
Surrey
KT11 2PD

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).

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 2014 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

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 2014 and of its profit for the year 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.

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.

Tim Widdas (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

26 February 2015

Profit and loss account
for the year ended 31 May 2014

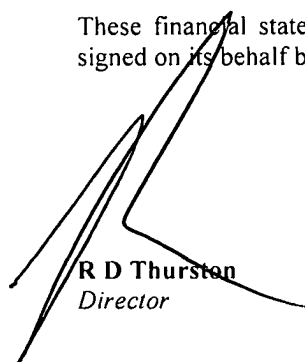
| | <i>Note</i> | 2014 \$000 | 2013 \$000 |
|--|-------------|-----------------------------|-------------------|
| Administrative expenses | | <u>(19)</u> | <u>(31)</u> |
| Operating loss | | (19) | (31) |
| Other interest receivable and similar income | 2 | <u>314</u> | <u>453</u> |
| Profit on ordinary activities before taxation | 3 | 295 | 422 |
| Tax on profit on ordinary activities | 4 | <u>(69)</u> | <u>(99)</u> |
| Profit for the financial year | 9 | <u>226</u> | <u>323</u> |

There are no other recognised gains or losses in the year. All of the results are derived from continuing operations.

Balance sheet
at 31 May 2014

| | | 2014 | | 2013 | |
|---|-------------|--------------|----------------|--------------|----------------|
| | <i>Note</i> | \$000 | \$000 | \$000 | \$000 |
| Fixed assets | | | | | |
| Investments | 5 | | 148,566 | | 148,566 |
| Current assets | | | | | |
| Debtors | 6 | 285,590 | | 285,463 | |
| Cash at bank | | <u>77</u> | | <u>10</u> | |
| | | 285,667 | | 285,473 | |
| Creditors: amounts falling due within one year | 7 | <u>(73)</u> | | <u>(105)</u> | |
| Net current assets | | | 285,594 | | 285,368 |
| Net assets | | | <u>434,160</u> | | <u>433,934</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | - | | - |
| Profit and loss account | 9 | | 434,160 | | 433,934 |
| Shareholder's funds | | | <u>434,160</u> | | <u>433,934</u> |

These financial statements were approved by the board of directors on 24 February 2015 and were signed on its behalf by:


R D Thurston
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the 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.

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.

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.

Cash flow statement

Under Financial Reporting Standard 1 *Cash flow statements (revised 1996)*, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary undertaking where 100% of its voting rights are controlled within the group headed by Cargill, Incorporated, whose financial statements are publicly available.

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.

Related party transactions

Under Financial Reporting Standard 8 *Related party disclosures*, the company is exempt from the related party disclosure requirements on transactions with Cargill, Incorporated group companies because 100% of its voting rights are controlled within this group, and the consolidated financial statements of the group, in which the company is included, are publicly available.

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, except as otherwise required by Financial Reporting Standard 19 *Deferred tax*.

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.

Notes (continued)

2 Other interest receivable and similar income

| | 2014 \$000 | 2013 \$000 |
|------------------------------------|---------------|---------------|
| Receivable from group undertakings | 314 | 453 |
| | <u>314</u> | <u>453</u> |

3 Profit on ordinary activities before taxation

| | 2014 \$000 | 2013 \$000 |
|---|---------------|---------------|
| Profit on ordinary activities before taxation is stated after charging: | | |
| Foreign exchange (losses) / gains | (1) | 1 |
| | <u>(1)</u> | <u>1</u> |

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

| | 2014 \$000 | 2013 \$000 |
|-------------------------------------|---------------|---------------|
| <i>Auditor's remuneration:</i> | | |
| Audit of these financial statements | 4 | 3 |
| | <u>4</u> | <u>3</u> |

The directors' emoluments were borne by other group undertakings.

Notes (continued)

4 Taxation

| | 2014 \$000 | 2013 \$000 |
|---|---------------|---------------|
| (a) Analysis of tax charge in the year | | |
| <i>Current tax</i> | | |
| UK corporation tax at 22.67% (2013: 23.83%) | 69 | 100 |
| Adjustment in respect of prior year | - | (1) |
| | <u>69</u> | <u>99</u> |
| Tax charge on profit on ordinary activities (note 4 (b)) | <u>69</u> | <u>99</u> |

(b) Factors affecting current tax charge in the year

The current tax assessment for the period is lower (2013: lower) than the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%)

The differences are explained below:

| | | |
|---|------------|------------|
| Profit on ordinary activities before taxation | <u>295</u> | <u>422</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.67% (2013: 23.83%) | 67 | 100 |
| Effects of: | | |
| Exchange rate differences | 2 | - |
| Adjustments in respect of prior years | - | (1) |
| | <u>69</u> | <u>99</u> |
| Current tax charge for the year | <u>69</u> | <u>99</u> |

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes (continued)

5 Fixed asset investments

| | | | \$000 |
|-------------------------------------|--|----|----------------|
| Cost at 31 May 2014 and 2013 | | | 148,566 |
| <i>Shares in group companies</i> | | | |
| Cargill Financial Markets PLC | Proprietary trading of fixed income and equity securities and related financial instruments | UK | 100% |
| Cargill Global Funding PLC | Funding group activities and the trading and management of interest rate and foreign exchange risk | UK | 100% |
| Cargill Investment Holdings Limited | Investor in distressed assets and actively working out portfolios of distressed financial assets | UK | 100% |
| Green Hercules Trading Limited | Proprietary trading of carbon emission certificates | UK | 100% |

6 Debtors

| | 2014 \$000 | 2013 \$000 |
|--|----------------|----------------|
| <i>Due within one year</i> | | |
| Amounts owed by group undertakings - short term deposits | 285,590 | 285,463 |
| | 285,590 | 285,463 |

7 Creditors: amounts falling due within one year

| | 2014 \$000 | 2013 \$000 |
|---|---------------|---------------|
| Bank overdraft | - | 6 |
| Other creditors including taxation and social security | 69 | 96 |
| Accruals and deferred income | 4 | 3 |
| | 73 | 105 |
| <i>Other creditors including taxation and social security comprise:</i> | | |
| Corporation tax | 69 | 96 |
| | 69 | 96 |

Notes (continued)

8 Called up share capital

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> |
| | \$ | \$ |
| In reporting currency of US dollars | <u>2</u> | <u>2</u> |

9 Reserves

| | Profit and loss reserve \$000 |
|-------------------------------|-------------------------------------|
| At 1 June 2013 | 433,934 |
| Profit for the financial year | 226 |
| At 31 May 2014 | <u><u>434,160</u></u> |

10 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.