

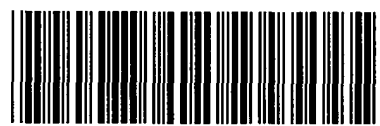
Cargill Financial Markets Limited

Directors' Report And Financial Statements

31 May 2015

Rees Pollock
Chartered Accountants

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COMPANIES HOUSE

COMPANY INFORMATION

Director	P J R Bothamley C A Bottomley
Company secretary	R D Thurston
Registered office	Velocity V1 Brooklands Drive Weybridge Surrey KT13 0SL
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Registered number	02496185

DIRECTORS' REPORT

For the year ended 31 May 2015

The directors present their report and the financial statements for the year ended 31 May 2015.

Results and dividends

The profit for the year, after taxation, amounted to \$28,026,000 (2014 - loss \$24,388,000).

The directors do not recommend the payment of a dividend (2014 - \$nil).

Directors

The directors who served during the year were:

R D Thurston
A I Chohan

P J R Bothamley and C A Bottomley were appointed as directors on 19 August 2015. On the same date, A I Chohan and R D Thurston resigned as directors.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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;
- 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 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.

DIRECTORS' REPORT

For the year ended 31 May 2015

Provision of information to auditors


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Auditors

The auditors, Rees Pollock, have expressed their willingness to continue in office.

This report was approved by the board on 16 December 2015 and signed on its behalf.



C A Bottomley
Director

STRATEGIC REPORT
For the year ended 31 May 2015

Business review

The principal activity of the company focuses on its ownership of the shares of Endon Europe Power 5 Limited and its subsidiaries.

Principal risks and uncertainties

The company operates as part of a larger group and its risk is managed in the context of this wider group. The company continues to have significant intra-group receivables and payables some of which are denominated in non-functional currency. As such, the company is exposed to foreign currency risk. Foreign currency risk is managed through a group approach whereby it is hedged using a combination of forward FX transactions and outright FX trades. Hedge accounting has not been applied.

Financial key performance indicators

Due to the company's principal activities and the nature of its operations, the directors do not separately monitor key performance indicators for the company, as there are no such appropriate key performance indicators.

This report was approved by the board on 16 December 2015 and signed on its behalf.

C A Bottomley
Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARGILL FINANCIAL MARKETS LIMITED

We have audited the financial statements of Cargill Financial Markets Limited for the year ended 31 May 2015, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 explained more fully in the directors' responsibilities statement, 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 (APB'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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 strategic report and the directors' 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.

Christopher Dimmick (Senior Statutory Auditor)

for and on behalf of

Rees Pollock, Statutory Auditors

17 December 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2015

	Note	2015 \$000	2014 \$000
NET TRADING EXPENSE	2	(596)	(570)
Foreign exchange (losses)/gains		(62)	29
Administrative expenses		(110)	(411)
OPERATING LOSS	3	(768)	(952)
Impairment of investments		-	(56,000)
Interest receivable and similar income	4	897	896
Write back of impairment of loans		27,879	31,615
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		28,008	(24,441)
Tax on profit/(loss) on ordinary activities	5	18	53
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		28,026	(24,388)

All amounts relate to continuing operations.

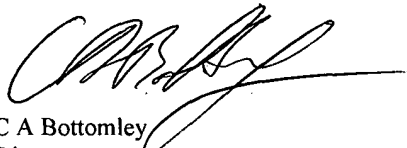
There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

BALANCE SHEET
As at 31 May 2015

	Note	\$000	2015 \$000	\$000	2014 \$000
FIXED ASSETS					
Investments	6		-		-
CURRENT ASSETS					
Debtors	7	1,233,941		1,264,109	
Cash at bank		259,941		258,104	
		<u>1,493,882</u>		<u>1,522,213</u>	
CREDITORS: amounts falling due within one year	9	(594,357)		(650,714)	
NET CURRENT ASSETS			899,525		871,499
TOTAL ASSETS LESS CURRENT LIABILITIES			899,525		871,499
CREDITORS: amounts falling due after more than one year	10		(307,218)		(307,218)
NET ASSETS			<u>592,307</u>		<u>564,281</u>
CAPITAL AND RESERVES					
Called up share capital	11		107,325		107,325
Profit and loss account	12		484,982		456,956
SHAREHOLDERS' FUNDS	13		<u>592,307</u>		<u>564,281</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2015.


C A Bottomley
Director

The notes on pages 8 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (ii) The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.
- (iii) Turnover, cost of sales and gross profit do not have any meaningful equivalent in a financial markets business are therefore not included.
- (iv) Trading income comprises the net profit arising from positions held in securities carried at fair value, net interest and net dividends earned by those securities after charging funds costs.
- (v) The directors consider that the financial currency of the company is the US dollar. The financial statements have therefore been prepared in that currency.
- (vi) The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The directors have considered the financial position of the company and conclude that the company will have sufficient resources to meet all financial obligations as they fall due.

1.3 Investments

Investments in subsidiary undertakings are carried at cost less impairment.

1.4 Interest income and expense

Interest income and expense are recognised on an accruals basis using the effective interest rate.

1.5 Other operating expense

Other operating expense comprises management recharges which are recognised on a accruals basis.

1.6 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date. Gains or losses on translation of trading assets are included within trading gains; gains or losses on all other monetary items are separately recorded in the profit and loss account. The company has selected the US dollar as its functional currency given that the majority of its assets and liabilities are denominated and settled in this currency.

1.7 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, 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 FRS19. A deferred tax asset is recognised to the extent it is regarded as recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. NET TRADING INCOME

	2015 \$000	2014 \$000
Trading (losses) / gains	(5)	4
Interest income	-	1
Interest expense	(591)	(574)
Total	<u>(596)</u>	<u>(569)</u>

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2015 \$000	2014 \$000
Auditors' remuneration	8	28
Foreign exchange losses / (gains)	62	(29)
	<u>62</u>	<u>(29)</u>

During the year, no director received any emoluments (2014 - \$NIL).

4. INTEREST RECEIVABLE

	2015 \$000	2014 \$000
Interest receivable from group companies	<u>897</u>	<u>896</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

5. TAXATION

	2015 \$000	2014 \$000
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax charge on profit/(loss) for the year	(46)	(69)
Adjustments in respect of prior periods	2	-
Total current tax	<u>(44)</u>	<u>(69)</u>
Deferred tax (see note 8)		
Origination and reversal of timing differences	26	16
Tax on profit/(loss) on ordinary activities	<u>(18)</u>	<u>(53)</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%). The differences are explained below:

	2015 \$000	2014 \$000
Profit/(loss) on ordinary activities before tax	<u>28,008</u>	<u>(24,441)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%)	5,834	(5,541)
Effects of:		
Revaluation of tax liability due to foreign exchange differences	1	6
Capital allowances for year in excess of depreciation	(2)	(2)
Adjustments to tax charge in respect of prior periods	2	-
Transfer pricing adjustment	(47)	(57)
Provision for impairment and bad and doubtful debt	(5,807)	5,528
Movement on foreign exchange	-	(3)
Other timing differences	(25)	-
Current tax credit for the year (see note above)	<u>(44)</u>	<u>(69)</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 May 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2015

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 June 2014 and 31 May 2015	60,692
Impairment	
At 1 June 2014 and 31 May 2015	60,692
Net book value	
At 31 May 2015	-
At 31 May 2014	-

The companies in which the company's interest at the year end is more than 20% are as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
Cargill Finance Limited	United Kingdom	Dormant	100% ordinary
Endon Europe Power 5 Limited	United Kingdom	Investment company	100% ordinary
Endon Europe Power 4 Limited *	United Kingdom	Investment company	100% ordinary
Endon Europe Power 6 Limited *	United Kingdom	Investment company	100% ordinary
Endon Europe Power 3 Limited *	United Kingdom	Investment company	100% ordinary & 100% preference
Endon Europe Power 1 Limited *	United Kingdom	Investment company	100% ordinary & 100% preference
Teesside Power Holdings Limited *	United Kingdom	Investment company	100% ordinary
EEP Seven Limited *	United Kingdom	Investment company	100% ordinary

*Held by subsidiary undertaking.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

7. DEBTORS

	2015 \$000	2014 \$000
Amounts owed by group undertakings	608,780	638,900
Tax debtor	47	69
Other debtors	625,000	625,000
Deferred tax asset (see note 8)	114	140
	<u>1,233,941</u>	<u>1,264,109</u>

Included within 'Other debtors' above is a deposit of \$625,000,000 held by and due from another company within the Cargill group.

8. DEFERRED TAX ASSET

	2015 \$000	2014 \$000
At beginning of year	140	156
Deferred tax (charge)/credit for the year	(26)	(16)
At end of year	<u>114</u>	<u>140</u>

The deferred tax asset is made up as follows:

	2015 \$000	2014 \$000
Decelerated capital allowances	8	10
Withholding tax	106	130
	<u>114</u>	<u>140</u>

9. CREDITORS:

Amounts falling due within one year

	2015 \$000	2014 \$000
Bank loans and overdrafts	6	-
Amounts owed to group undertakings	594,251	650,610
Accruals and deferred income	100	104
	<u>594,357</u>	<u>650,714</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2015

10. CREDITORS:

Amounts falling due after more than one year

	2015	2014
	\$000	\$000
Amounts owed to group undertakings	307,218	307,218

11. SHARE CAPITAL

	2015	2014
	\$000	\$000
Allotted, called up and fully paid		
107,305,000 Ordinary \$ shares of \$1 each	107,305	107,305
Allotted, called up and partly paid		
50,000 Ordinary £ shares of £1 each, 25 pence paid	20	20

12. RESERVES

	Profit and loss account \$000
At 1 June 2014	456,956
Profit for the financial year	28,026
At 31 May 2015	484,982

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015	2014
	\$000	\$000
Opening shareholders' funds	564,281	588,669
Profit/(loss) for the financial year	28,026	(24,388)
Closing shareholders' funds	592,307	564,281

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2015

14. CONTINGENT LIABILITIES

In April 2008, Teesside Power Holdings Limited ('TPHL') sold 69% and other persons sold 31% of Teesside Power Ltd ('TPL'). As part of the sale, TPHL and the other sellers provided a tax indemnity to the buyers in relation to pre-sale contingent tax liabilities of TPL. Cargill Financial Markets Limited ('CFM') guaranteed TPHL's obligations. The tax treatment by TPL of certain transactions undertaken in 2006 and 2007 was the subject of an enquiry by HMRC. In August 2013, HMRC issued closure notices including proposed adjustments to TPL's taxable income for those two years. At the direction of the sellers, TPL appealed against the closure notices and the issue was referred to the First Tier Tribunal (Tax) which heard the case in April 2015. In August 2015, the tribunal decided the appeal in HMRC's favour. In October 2015, TPL appealed to the Upper Tribunal, and that appeal is expected to be heard some time in 2016. On the basis of consultations with leading UK tax counsel and other UK tax advisers the Directors' opinion remains that it is not probable that HMRC will ultimately prevail in this matter. Accordingly, no provision has been made in these accounts.

In March 2015, following a law change, TPL was required to make an advance payment of the tax payable if, after all appeals, the case is concluded in HMRC's favour. In line with their obligations under the tax indemnity, the sellers made the advance tax payment on TPL's behalf. TPHL's share of this payment was £41.55m, and is included under 'Other Debtors' within that company's accounts.

15. OTHER FINANCIAL COMMITMENTS

(a) As at 31 May 2015, the company has no commitments under non-cancellable operating leases.

(b) The company had no capital commitments at the end of the financial year for which no provision has been made (2014 - \$nil).

(c) The company has, in the normal course of business, granted guarantees and warranties to certain subsidiary undertakings in respect of tax and other indemnities granted by those subsidiaries under third party sales agreements.

16. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8 Related party disclosures, the company is exempt from related party disclosure requirements on transactions with Cargill, Incorporated group companies because 100% of its voting rights are controlled within this group.

17. ULTIMATE HOLDING COMPANY

The company's immediate parent undertaking is Cargill Holdings, a company incorporated in the United Kingdom and registered in England & Wales.

The company's ultimate parent undertaking is Cargill, Inc., a company incorporated in the USA and is regarded by the directors as being the company's ultimate controlling party. Cargill, Inc., heads the smallest and largest group of companies for which consolidated accounts including the company's position and results are available. Copies of the consolidated accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.