# CARGILL GLOBAL FUNDING PLC

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2003**



Registered Number 2857033

# CARGILL GLOBAL FUNDING PLC

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 May 2003**

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# DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2003.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that year.

The directors confirm that appropriate accounting policies have been agreed and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 May 2003.

The directors are responsible for keeping proper accounting records which 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 1985. They have a general responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## BUSINESS REVIEW

The company's principal activity is the funding of Cargill entities and the trading and management of interest rate and foreign exchange risk. The retained profit for the year carried forward to reserves is US$5,839,000 (2002: US$4,257,000).

## DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The company's purpose is to act as the European treasury vehicle to the Cargill group. The company is primarily a service-oriented organisation. Functions of the company include the provision of short-term liquidity requirements, foreign exchange services, related risk management and co-ordination of cash management activities. The company uses financial instruments predominantly to hedge risk and to occasionally reflect a view on interest rates or exchange rates. Instruments traded include forward rate agreements (FRAs), foreign exchange swaps, interest rate swaps, spots and outrights, foreign exchange options and exchange traded derivative instruments such as futures.

### Risk management

The Cargill treasury division measures and monitors risk against limits determined by senior management. Limits are established for market risk, credit exposure and cross-border exposure, with sub-limits by geography and product type where appropriate.

## 1. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

### Market risk

All financial instruments are subject to market risk, the potential change in value caused by changes in interest rates and foreign exchange rates. The company's dealing and risk management personnel seek to identify all such risks in the portfolio, so that those risks, which are not hedged, are the result of limited but deliberate trading decisions. Market risk limits are set and may only be exceeded with the approval of the senior management.

### Interest rate risk

As a treasury vehicle the company offers short-term liquidity to Cargill companies. The funding is done mostly on matched tenor, however occasionally FRAs or futures may be used either to hedge a position or to express a view on interest rates.

The company actively manages its interest rate risk through the use of interest rate futures and FRAs. The company has not set explicit guidelines on the proportion of its assets and liabilities that may be floating rate; this proportion will vary depending on the instruments involved and management's expectation of interest rate movements. The interest rate profiles of the company's assets and liabilities as at 31 May 2003 and 31 May 2002 are shown in note 18 (a) and (b).

### Currency risk

Foreign exchange contracts are dealt mostly on a back-to-back basis between a bank and a group company and, therefore, no currency risk is created. At times the company may enter into trades specifically to take on currency exposure, where this is identified as a trading opportunity and within the overall limit allocated. The company's currency exposure as at 31 May 2003 and 31 May 2002 is shown in note 18 (c).

### Credit risk

Credit risk is the risk of loss due to non-performance by trading counterparties and other obligors. All dealing activity may only take place with approved counterparties. Approved external counterparties are limited to first category strongly rated international banks. Credit risk of approved internal counterparties (i.e. Cargill group of companies) is covered by the full Cargill Inc guarantee. Where trading gives rise to, or may in the future give rise to, a credit exposure there must be a pre-established credit limit. The Treasury division monitors credit exposures against limits.

## DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS CONTINUED

**Cross-border risk**

Cross-border risk arises where the company holds assets and liabilities in different countries, such that the company's ability to transfer assets across national borders or convert one currency for another may be restricted by sovereign action. The company imposes limits on its cross-border exposure to emerging market countries. Any cross-border risk that may arise from the company's financial dealings with another approved Cargill company is covered by the full Cargill Inc. guarantee. On occasion the company may purchase or issue financial instruments, which specifically mitigate or give rise to cross-border risk.

**Liquidity risk**

The company attempts to match the liquidity profile of its financial assets and financial liabilities. The maturity profile of the company's financial liabilities as at 31 May 2003 and 31 May 2002 are shown in note 18 (d) and the un-drawn committed borrowing facilities available to the company as at that date are shown in note 18 (e).

## DIVIDEND

No dividend was paid during the year (2002: US$6,600,000).

## DIRECTORS AND DIRECTORS' INTERESTS

The directors during the year were as follows:-

| | Appointed | Resigned |
|---|---|---|
| J D Olson | 24 October 1996 | - |
| T J N Brumter | 30 November 2000 | - |
| C J Kempenaar | 29 January 2002 | - |
| J H Mawhood | 29 January 2002 | - |
| R I Nield | 29 January 2002 | - |

No director had a notifiable beneficial interest in the shares of the company or any other group undertaking during the year.

## DIRECTORS' REPORT

continued

### AUDITORS

KPMG Audit Plc have expressed their willingness to continue in office as auditors. In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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### SUPPLIERS

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

The company had no purchases outstanding as at 31 May 2003.

By Order of the Board

T J N Brumter

(Director)

Knowle Hill Park
Fairmile Lane
Cobham
Surrey KT11 2PD
2 September 2003

## REPORT OF THE INDEPENDENT AUDITORS KPMG AUDIT PLC

## TO THE MEMBERS OF CARGILL GLOBAL FUNDING PLC

We have audited the financial statements on pages 6 to 25.

This Report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1885. 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**

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 director's remuneration and transactions with the company is not disclosed.

**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 the company's affairs as at 31 May 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
3 September 2003

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2003

| | Notes | 2003 US$000 | 2002 US$000 |
|---|---|---|---|
| **Net trading income** | 2 | **11,196** | 18,778 |
| Administrative expenses | | **(3,214)** | (2,888) |
| **Profit on ordinary activities before taxation** | 4 | **7,982** | 15,890 |
| Tax on profit on ordinary activities | 7 | **(2,143)** | (5,033) |
| **Profit on ordinary activities after taxation for the financial year** | | **5,839** | 10,857 |
| Dividend paid | 8 | **-** | (6,600) |
| **Retained profit for the financial year** | 12 | **5,839** | 4,257 |

The above income and expenditure has been derived from continuing activities.

There were no recognised gains and losses other than the profit for the financial year.

The notes on pages 8 to 25 form an integral part of these financial statements

## BALANCE SHEET

at 31 May 2003

| | Notes | 2003 US$000 | 2002 US$000 |
|---|---|---|---|
| **Current assets** | | | |
| Debtors: | | | |
| Amounts falling due within one year | 9 | **1,753,831** | 1,405,951 |
| Amounts falling due after more than one year | | **200,000** | 239,000 |
| | | **1,953,831** | 1,644,951 |
| Cash at bank and in hand | | **6,106** | - |
| | | **1,959,937** | 1,644,951 |
| Creditors: | | | |
| Amounts falling due within one year | 10 | **(1,838,207)** | (1,587,639) |
| **Net current assets** | | **121,730** | 57,312 |
| **Total assets less current liabilities** | | **121,730** | 57,312 |
| Amounts falling due after more than one year | | **(58,579)** | - |
| **Net Assets** | | **63,151** | 57,312 |
| **Capital and reserves** | | | |
| Called up share capital | 11 | **5,000** | 5,000 |
| Profit and loss account | 12 | **58,151** | 52,312 |
| **Equity shareholders' funds** | 13 | **63,151** | 57,312 |

Approved by the Board of Directors and signed on its behalf on 2 September 2003.

T J N Brumter
(Director)

The notes on pages 8 to 25 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied in the preparation of these accounts.

**(a) Basis of accounting:**

(i) The accounts have been prepared under the historical cost convention, except as noted in (b) below, and in accordance with applicable accounting standards.

(ii) Turnover cost of sales and gross profit (as prescribed in the Companies Act 1985) do not have any meaningful equivalents in an interest rate trading business and are therefore not included.

(iii) Trading income includes the net profits arising from positions in foreign exchange, money market assets and liabilities and net interest earned by those investments.

(iv) The directors consider that the functional currency of the company is the US dollar. The financial statements have therefore been prepared in that currency.

**(b) Commercial Paper and Sterling Acceptances:**

Commercial paper and sterling acceptances are recorded on the balance sheet at the issue proceeds and are amortised at a constant yield over the period to maturity.

**(c) Interest income and expense:**

Interest income and expense are recognised on an accruals basis.

**(d) Foreign exchange:**

Transactions denominated in foreign currencies are translated into US dollars and recorded at the rate of exchange prevailing at the date of the transaction. Balances denominated in foreign currencies are translated into US dollars at the exchange rates prevailing at the balance sheet date. Forward foreign exchange contracts, other than those that relate to fixed rate loans and deposits, are valued at market rates applicable to their respective maturities at the balance sheet date. Profits and losses on forward foreign exchange contracts that relate to fixed rate loans and deposits are accrued evenly over the life of the transaction. Unrealised exchange gains and losses are taken to the profit and loss account.

**(e) Pensions:**

The charge to the profit and loss account in respect of pension and post retirement medical expenses is determined independently by actuarial valuation and spreads the cost over the service lives of the employees. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is included in the balance sheet as an asset or liability.

## 1. PRINCIPAL ACCOUNTING POLICIES continued

### (f) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences that have originated but not reversed by the balance sheet date. A deferred tax asset is recognised to the extent it is regarded as recoverable.

### (g) Cash flow statement:

The company has not prepared a cash flow statement, as it is included in the consolidated accounts of Cargill Holdings, a company registered in England and Wales, which publishes a consolidated cash flow statement in its own financial statements.

### (h) Derivatives and other financial instruments: Disclosures

Financial Reporting Standard 13, Derivatives and other financial instruments: Disclosures, has been applied in the preparation of these financial statements. In notes 18(a), (b) and (d) the underlying notional principals of derivatives transactions have been reflected where this alters the interest rate or currency profile of the company.

Derivatives may be entered into to hedge interest rate or currency risks. In these instances the derivative will be accounted for on a similar basis to the underlying financial asset or liability.

## 2. NET TRADING INCOME

| | 2003<br>US$000 | 2002<br>US$000 |
|---|---|---|
| Interest receivable and similar income | **49,588** | 67,004 |
| Interest payable and similar charges | | |
| Interest payable on bank loans and overdrafts | **(338)** | (690) |
| Interest payable on other borrowings | **(33,723)** | (33,949) |
| Other financing charges | **(6,313)** | (16,036) |
| Foreign exchange trading gain | **372** | 601 |
| Other operating income | **1,102** | 1,769 |
| Foreign exchange revaluation | **508** | 79 |
| Net trading income | **11,196** | 18,778 |

Interest income includes interest receivable from group undertakings of US$43,903,198 (2002: US$50,821,000).

Interest expense includes interest payable to group undertakings of US$28,232,213 (2002: US$24,660,000).

## 3. STAFF NUMBERS AND COST

The average number of persons employed by the company during the year was: - Traders 6, Administrative staff 14 (2002: Traders 6, Administrative Staff 10).

The aggregate payroll costs of these persons were as follows:

| | 2003<br>US$000 | 2002<br>US$000 |
|---|---|---|
| Wages and salaries | **2,318** | 1,295 |
| Social security costs | **124** | 93 |
| Other pension costs | **128** | 89 |
| | **2,570** | 1,477 |

## 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is after charging:

| | 2003<br>US$000 | 2002<br>US$000 |
|---|---|---|
| Directors' Remuneration | **605** | 382 |
| Company Contributions to Directors' pension Scheme invested on a money purchase basis | **-** | 6 |
| Directors Long term Incentive Scheme | **7** | - |
| Auditor's remuneration: | | |
| *Audit work* | **65** | 32 |
| Rentals under operating leases: | | |
| *Motor vehicles* | **-** | 3 |

## 5. EMOLUMENTS OF HIGHEST PAID DIRECTOR

The aggregate of the highest paid director's emoluments and amounts receivable under the long term incentive scheme of the group is US$340,000 (2002: US$305,000). He is a member of the defined benefit scheme. The accrued pension, to which he would be entitled from normal retirement age, if he were to retire at the year-end, was US$12,000 (2002: US$8,000).

| | Number of Directors | |
|---|---|---|
| | **2003** | 2002 |
| Retirement benefits are accruing to the following number of directors under defined benefit | **2** | 2 |
| Retirement benefits are accrued to the following number of directors under defined benefit schemes and defined contribution schemes | **1** | 1 |

## 6. SEGMENTAL ANALYSIS

No segmental analysis is provided as the company has only one distinguishable class of business and operates in a market that is not limited by geographical bounds.

## 7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

### a) Analysis of tax charge

| | **2003** | 2002 |
|---|---|---|
| | **US$000** | US$000 |
| United Kingdom Corporation tax at 30% (2002: 30%) | | |
| United Kingdom corporation tax on profit of the period | **2,462** | 4,901 |
| Adjustment in respect of prior year | **(243)** | 132 |
| **Total current tax** | **2,219** | 5,033 |
| **Deferred Taxation** | | - |
| **Origination and Reversal of timing differences** | **(76)** | - |
| **Tax Charge** | **2,143** | 5,033 |

### b) Factors affecting tax charge

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

| | **2003** | 2002 |
|---|---|---|
| | **US$000** | US$000 |
| Profit on ordinary activities before taxation | **7,982** | 15,889 |
| Taxation on profit on ordinary activities before taxation at a standard rate of corporation tax in the United Kingdom of 30% (2002: 30 %) | **2,395** | 4,767 |
| Withholding tax | **(9)** | 134 |
| Timing differences | **76** | |
| Adjustments in respect of prior year | **(243)** | 132 |
| Total current tax | **2,219** | 5,033 |

## NOTES TO THE FINANCIAL STATEMENTS

Continued

## 8. DIVIDENDS

No dividend was paid during the year (2002: US$6,600,000).

## 9. DEBTORS

| | 2003 US$000 | 2002 US$000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Deposits with banks less than one year | 35,100 | 28,980 |
| Amounts owed by group undertakings | 1,647,220 | 1,366,641 |
| Other debtors | 69,696 | 5,518 |
| Deferred Tax | 76 | - |
| Accrued income and Prepayments | 1,739 | 4,812 |
| | 1,753,831 | 1,405,951 |
| **Amounts falling due after more than one year** | | |
| Amounts owed by group undertakings | 200,000 | 239,000 |
| | 200,000 | 239,000 |

| **Deferred Tax** | 2003 US$000 | 2002 US$000 |
|---|---|---|
| Balance Brought Forward | - | - |
| Changes to Profit and Loss Account | 76 | - |
| Balance Carried Forward | 76 | - |

Deposits with banks include US$35.1 million collateral deposited as security for loans these banks have made to other Cargill entities.

Deferred Tax Asset is on timing differences related to long-term incentive schemes.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | **2003** | 2002 |
|---|---|---|
| | **US$000** | US$000 |
| Bank loans and overdrafts | **29,331** | 48,888 |
| Securities sold under obligation to repurchase | **50,000** | 224,000 |
| Amounts owed to group undertakings | **1,682,982** | 1,287,315 |
| Current corporation tax | **790** | 2,626 |
| Counterparty creditors | **20,507** | 8,813 |
| Other Creditors | **51,345** | 10,624 |
| Accruals and deferred income | **3,252** | 5,373 |
| | **1,838,207** | 1,587,639 |

**Amounts falling due after more than one year**

| | | |
|---|---|---|
| Amounts owed to group undertakings | **58,579** | - |

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### 11. CALLED UP SHARE CAPITAL

| | 2003 US$000 | 2002 US$000 |
|---|---|---|
| **Authorised:** | | |
| 50,000 ordinary shares of £1 each (2002: 50,000) | 75 | 75 |
| 40,000,000 ordinary shares of US$1 each (2002: 40,000,000) | 40,000 | 40,000 |
| | 40,075 | 40,075 |
| **Allotted:** | | |
| 50,000 ordinary shares of £1 each (2002: 50,000) | 75 | 75 |
| 4,981,402 ordinary shares of US$1 each (2002: 4,981,402) | 4,981 | 4,981 |
| | 5,056 | 5,056 |
| **Called up:** | | |
| 50,000 ordinary shares of £1 each, 25 pence paid (2002:50,000) | 19 | 19 |
| 4,981,402 ordinary shares of US$1 each, fully paid (2002:4,981,402) | 4,981 | 4,981 |
| | 5,000 | 5,000 |

Capital converted to USD from GBP in 1994 with a rate of $1.5:£1

### 12. PROFIT AND LOSS ACCOUNT

| | US$000 |
|---|---|
| Brought forward at 1 June 2002 | 52,312 |
| Retained profit for the financial year | 5,839 |
| Carried forward at 31 May 2003 | 58,151 |

### 13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2003 US$000 | 2002 US$000 |
|---|---|---|
| Opening shareholders' funds | 57,312 | 53,055 |
| Retained profit for the financial year | 5,839 | 4,257 |
| Closing shareholders' funds | 63,151 | 57,312 |

## 14. PENSIONS

The company is a member of the Cargill Pension Plan, a funded defined benefit pension scheme for the benefit of employees within the Cargill Holdings group. The assets of the scheme are held in separate trustee administered funds. Particulars of the actuarial valuation of the Cargill Pension Plan are contained within the financial statements of Cargill Holdings.

The charge to the profit and loss account is based on providing for the cost of pensions on a systematic basis over the periods benefiting from the scheme members' services and amounts to US$127,708 (2002: US$89,000). An accrual of US$274,865 (2002: US$158,990) is included in the balance sheet relating to the Cargill Pension Plan.

FRS 17 Retirement benefits:

Whilst the company continues to account for pensions costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for Pensions Costs', under the Financial Reporting Standard: FRS 17 'Retirement benefits' transitional disclosures are required. The full transitional disclosures are included within the financial statements of the company's immediate parent Cargill Holdings.

As the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 when the standard is fully adopted, the scheme will be accounted for as if it were a defined contribution scheme.

Based on the latest actuarial indications, there exists a deficit on the scheme of $135,478,000 (2002: $65,868,000). The group has no plans to recover any part of this deficit directly from the company, although contribution rates are likely to be reviewed.

The group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 5 April 2003 and was updated to 31 May 2003 by a qualified independent actuary. The major assumptions used by the actuary were as follows (in nominal terms)

| | 2003 |
|---|---|
| Rate of increase in salaries | 2.75% |
| Rate of increase of pensions in payment | 2.50% |
| Discount rate | 5.10% |
| Inflation assumption | 2.50% |

## 15. COMMITMENTS

The company provides subordinated loan facilities to the following group undertakings:

| | Facility amount | Un-drawn amount |
|---|---|---|
| | US$000 | US$000 |
| Cargill Financial Markets PLC | **350,000** | **310,000** |
| Cargill Finance Limited | **120,000** | **120,000** |
| Cargill Investor Services Limited | **6,000** | **6,000** |

The only event of default in relation to the subordinated loan is non-payment of principal or interest. In the event of default Cargill Global Funding PLC will draw on a guarantee issued by Cargill, Incorporated, the ultimate parent company of Cargill Global Funding PLC, in respect of each of the above companies

## 16. RELATED PARTY TRANSACTIONS

FRS 8 grants a partial exemption to subsidiary undertakings from its requirements, provided that 90% or more of the voting rights of the company are controlled within the group, and the subsidiary is included in publicly available consolidated financial statements.

The directors of the company have taken advantage of this exemption which permits non-disclosure of transactions with entities that are part of the Cargill, Incorporated group, as the company is a 100% subsidiary of Cargill Holdings, another company in the group, which produces publicly available financial statements.

## 17. ULTIMATE HOLDING COMPANY AND PARENT UNDERTAKING

The company's immediate parent undertaking is Cargill Holdings, which is registered in England and Wales, and its ultimate parent undertaking is Cargill, Incorporated, a company incorporated in the USA.

The largest group in which the results of the company are consolidated is that headed by Cargill, Incorporated whose consolidated financial statements are not available to the public. The smallest group in which the results of the company are consolidated is that headed by Cargill Holdings. The consolidated financial statements of Cargill Holdings are available to the public and may be obtained from the Registrar of Companies, Crown Way, Cardiff.

## 18. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

A discussion of the company's objectives and policies with regard to derivatives and other financial instruments is given in the directors' report on pages 1 to 4. The company has taken advantage of the exemption available for short-term debtors and creditors; therefore these amounts are excluded from the following tables apart from note 18 (c).

### (a) Interest rate profile of financial liabilities

The interest rate profile of the financial liabilities of the company as at 31 May 2003 was:

| Currency | Total<br>US$000 | Floating rate financial liabilities<br>US$000 | Fixed rate financial liabilities<br>US$000 | Non interest bearing liabilities<br>US$000 |
|---|---|---|---|---|
| Sterling | **1,026** | **780** | **-** | **246** |
| US Dollar | **1,521,888** | **1,145,258** | **361,784** | **14,846** |
| Euro | **294,109** | **-** | **293,886** | **223** |
| Swiss Francs | **2,706** | **-** | **2,700** | **6** |
| Hungarian Forint | **20,885** | **-** | **20,707** | **178** |
| Total | **1,840,614** | **1,146,038** | **679,077** | **15,499** |

| | Fixed rate financial liabilities | |
|---|---|---|
| Currency | Weighted average interest rate<br>% | Weighted average period for which rate is fixed<br>Years |
| Hungarian Forint | **6.46** | **0.012** |
| US Dollar | **1.24** | **0.639** |
| Euro | **2.47** | **0.067** |
| Swiss Franc | **0.6** | **0.125** |
| Total | **1.93** | **0.370** |

The floating rate financial liabilities bear interest at rates determined by reference to LIBOR.

On a daily basis the company enters into typically, overnight cross currency swaps to convert its end of day net exposure to non US dollar currencies into US dollars. As these swaps are entered into as part of the company's daily management of its net cash positions rather than part of a specific funding strategy, they are excluded from the interest rate profile tables. The notional as at 31 May 2003 was US$362 million.

Non-interest bearing liabilities typically represent interest accruals.

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

The comparative interest rate profile of the financial liabilities of the company as at 31 May 2002 was:

| Currency | Total<br><br>US$000 | Floating rate financial liabilities<br>US$000 | Fixed rate financial liabilities<br>US$000 | Non-interest bearing liabilities<br>US$000 |
|---|---|---|---|---|
| Sterling | 544 | 174 | - | 370 |
| US Dollar | 1,484,501 | 1,052,019 | 431,951 | 531 |
| Euro | 1,686 | - | 1,686 | - |
| Japanese Yen | 56,946 | - | 56,946 | - |
| Hungarian Forint | 11,192 | - | 11,170 | 22 |
| Total | 1,554,869 | 1,052,193 | 501,753 | 923 |

| | Fixed rate financial liabilities | |
|---|---|---|
| Currency | Weighted average interest rate<br>% | Weighted average period for which rate is fixed<br>Years |
| Hungarian Forint | 8.78 | 0.059 |
| US Dollar | 2.04 | 0.089 |
| Euro | 3.25 | 0.019 |
| Japanese Yen | 0.05 | 0.039 |
| Total | 1.96 | 0.087 |

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

### (b) Interest rate profile of financial assets

The interest rate profile of the financial assets of the company as at 31 May 2003 was:

| Currency | Total | Floating rate financial assets | Fixed rate financial assets | Non interest bearing assets |
|---|---|---|---|---|
| | US$000 | US$000 | US$000 | US$000 |
| Sterling | **64,472** | **-** | **64,350** | **122** |
| US Dollar | **1,781,027** | **519,058** | **1,186,329** | **75,640** |
| Japanese Yen | **7,084** | **-** | **7,084** | **-** |
| Euro | **102,312** | **-** | **102,008** | **304** |
| Swish Franc | **352** | **-** | **348** | **4** |
| Total | **1,955,247** | **519,058** | **1,360,119** | **76,070** |

| | Fixed rate assets | |
|---|---|---|
| Currency | Weighted average interest rate<br>% | Weighted average period for which rate is fixed<br>Years |
| Sterling | **3.86** | **0.045** |
| US Dollar | **1.73** | **0.526** |
| Japanese Yen | **0.22** | **0.456** |
| Euro | **2.77** | **0.330** |
| Swiss Franc | **1.24** | **0.083** |
| Total | **1.90** | **0.488** |

The interest rates of the floating rate financial assets are based on LIBOR.

Non-interest bearing assets typically represent interest accruals.

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

The comparative interest rate profile of the financial assets of the company as at 31 May 2002 was:

| Currency | Total<br><br>US$000 | Floating rate financial assets<br>US$000 | Fixed rate financial assets<br>US$000 | Non interest bearing assets<br>US$000 |
|---|---|---|---|---|
| Sterling | 15 | 15 | - | - |
| US Dollar | 1,297,526 | 478,072 | 812,867 | 6.587 |
| Euro | 321,781 | 19,119 | 302,603 | 59 |
| Swish Franc | 122 | 122 | - | - |
| Total | 1,619,444 | 497,328 | 1,115,470 | 6.646 |

| | Fixed rate assets | |
|---|---|---|
| Currency | Weighted average interest rate<br>% | Weighted average period for which rate is fixed<br>Years |
| Euro | 3.50 | 0.047 |
| US Dollar | 3.20 | 0.906 |
| Total | 3.28 | 0.673 |

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

### (c) Currency exposures

The table below shows the company's currency exposure. Such exposures comprise the monetary assets and monetary liabilities of the company that are not denominated in US dollars.

| | 2003<br>US$000<br>Net assets<br>(liabilities) | 2002<br>US$000<br>Net assets<br>(liabilities) |
|---|---|---|
| Euro | (131) | (365) |
| Sterling | (63) | 182 |
| Danish Krone | 118 | 269 |
| South African Rand | (4) | (6) |
| Norwegian Krone | 76 | - |
| Other | 42 | 51 |
| | 38 | 131 |

The amounts shown in the table above take into account the effect of any currency swaps, forward contracts and other derivatives entered into to manage these currency exposures.

### (d) Maturity of financial liabilities

The maturity profile of the company's financial liabilities at 31 May 2003 and 31 May 2002 was as follows:

| | 2003<br>US$000 | 2002<br>US$000 |
|---|---|---|
| In one year or less or on demand | 1,782,035 | 1,554,869 |
| In more than one year, but not more than 5 years | 58,579 | - |
| | 1,840,614 | 1,554,869 |

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

### (e) Borrowing facilities

The company has various borrowing facilities available to it. The un-drawn committed facilities available at 31 May 2003 and 31 May 2002 in respect of which all conditions precedent had been met at that date were as follows:

**Facilities available jointly to the company and other group companies**

| | **2003** | 2002 |
|---|---|---|
| | **US$000** | US$000 |
| Expiring in one year or less | **585,000** | 708,000 |
| Expiring in more than one year | **1,220,000** | 1,240,000 |
| | **1,805,000** | 1,948,000 |

The company also has uncommitted facilities available to it. The un-drawn uncommitted facilities available at 31 May 2003 and 31 May 2002 were as follows:

**Facilities available to the company only**

| | **2003** | 2002 |
|---|---|---|
| | **US$000** | US$000 |
| Expiring in one year or less | **966,328** | 2,216,900 |
| Expiring in more than one year | **164,900** | 0 |
| | **1,131,228** | 2,216,900 |

**Facilities available jointly to the company and other group companies**

| | **2003** | 2002 |
|---|---|---|
| | **US$000** | US$000 |
| Expiring in one year or less | **914,341** | 545,000 |
| Expiring in more than one year | **652,630** | 1,255,053 |
| | **1,566,971** | 1,800,053 |

Included above, in uncommitted facilities available to the group, is a US$2,500,000,000 Euro-commercial paper programme. As at 31 May 2003 US$1,847,370,000 was in issue, US$0 of which was issued by Cargill Global Funding PLC.

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

### (f) Fair values of financial assets and liabilities

Fair values are determined by net present values of Future cash flows.

| | Book value 2003 US$000 | Fair value 2003 US$000 |
|---|---|---|
| **Financial instruments held to finance the group's operations:** | | |
| Bank Deposits | 6,106 | 6,106 |
| Bank loans | (29,331) | (29,331) |
| Securities sold under obligation to repurchase | (50,000) | (47,081) |
| Money Market Deposits | 35,100 | 35,100 |
| Swaps | - | 5,524 |
| Amounts owed by group undertakings falling due after more than one year | 200,000 | 196,951 |
| Amounts owed by group undertakings falling due within one year | 1,714,041 | 1,706,943 |
| Amounts owed to group undertakings falling due within one year | (1,702,704) | (1,701,951) |
| Amounts owed to group undertakings falling due after more than one year | (58,579) | (56,195) |
| | 114,633 | 116,066 |
| Financial assets | 1,955,247 | 1,950,624 |
| Financial liabilities | (1,840,614) | (1,834,558) |
| | 114,633 | 116,066 |

## 18 DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS continued

As at 31 May 2002:

| | Book value 2002 US$000 | Fair value 2002 US$000 |
|---|---|---|
| **Financial instruments held to finance the group's operations:** | | |
| Bank loans | (48,888) | (48,888) |
| Commercial paper | - | - |
| Securities sold under obligation to repurchase | (224,000) | (192,607) |
| Money Market Deposits | 29,592 | 29,592 |
| Swaps | - | 18,716 |
| Amounts owed by group undertakings falling due after more than one year | 239,000 | 205,368 |
| Amounts owed by group undertakings falling due within one year | 1,350,852 | 1,357,770 |
| Amounts owed to group undertakings falling due within one year | (1,281,981) | (1,281,931) |
| | 64,575 | 88,020 |
| Financial assets | 1,619,444 | 1,611,446 |
| Financial liabilities | (1,554,869) | (1,523,426) |
| | 64,575 | 88,020 |