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# **Louis Dreyfus & Co. Limited**

## **Directors' Report and Accounts for the year ended 31 December 2005**



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# Louis Dreyfus & Co. Limited

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Directors	R. E. Cornwell	(Deceased 16 November 2005)
	D.F. Cornwell	(Appointed 1 March 2006)
	Pierre Louis-Dreyfus (French)	
	Gerard Louis-Dreyfus (USA)	
	Philippe Louis-Dreyfus (French)	
	E. F. Steiner (USA)	(Resigned 2 March 2006)
	B. Baldensperger (French)	
	P. H. Akroyd	
	R. L. Caperton (USA)	
	J. M. Carruthers	
	G. J. Gateff (French)	
	J. P. Huchon (French)	
	I. S. McIntosh	
	N. Mamalis	(Appointed 11 March 2005)
	H. Wolkin (USA)	
Secretary	A. M. Payne	
Registered Office	Queensberry House, 3 Old Burlington Street, London W1S 3LD	
Registered Co. Number	364962	
Auditors	Constantin, Aldwych House, 81 Aldwych, London WC2B 4HN	

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# Directors' Report

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The directors submit their annual report and the audited accounts for 2005 comprising those of the company and the consolidated accounts of Louis Dreyfus & Co. Limited and its subsidiaries.

## RESULTS AND DIVIDENDS

The group trading loss for the year, after taxation, amounted to \$5,561,806 (2004 profit: \$17,638,828). The directors do not recommend the payment of a dividend (2004: \$nil).

## PRINCIPAL ACTIVITY

The company and its subsidiaries are part of an integrated worldwide commodity trading group. The group's principal activity during the year consisted of commodity trading.

## REVIEW OF THE GROUP'S BUSINESSES

The UK Group had a satisfactory year in all its various activities.

On 1 January 2005 the company disposed of 100% of the share capital of Louis Dreyfus Commodities and Finance Limited ("LDCF") and 100% of the share capital of Louis Dreyfus Services Limited ("LDS").

## FUTURE DEVELOPMENTS

The company is in a strong position to take advantage of the trading opportunities that may arise during the year.

## POST BALANCE SHEET EVENTS

In March 2006 the Group announced its intention to transfer most of its trading operations to a new company in Switzerland. This transfer took place in August and September 2006. Louis Dreyfus & Co. Limited remains a holding company in the UK.

## BRANCH OUTSIDE THE UNITED KINGDOM

One of the company's subsidiaries operates a branch office in Geneva.

## FIXED ASSETS

The changes in fixed assets during the year are summarised in note 8 to the accounts.

## CLOSE COMPANY STATUS

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

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the company purchased and maintained liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

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# Directors' Report (continued)

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## DIRECTORS

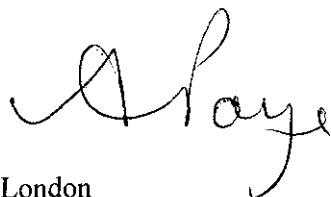
The directors who have held office during the year and at the date of this report are named on page 1. No director had a beneficial interest in the shares of the company, at either the beginning or end of the year.

## STATEMENT

It is the responsibility of the directors to prepare the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice which give a true and fair view of the state of affairs of the company and of the group as at the year-end and of the profit and loss of the group for that period. The directors are responsible for ensuring that applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts. It is also the responsibility of the directors to prepare the accounts on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business. The directors are responsible for maintaining adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and that enable them to ensure that the financial statements comply with the Companies Act 1985 for safeguarding the assets of the company and of the group and for preventing and detecting fraud and other irregularities.

## AUDITORS

The auditors, Constantin, have indicated their willingness to continue in office and a resolution to re-appoint Constantin will be proposed at the Annual General Meeting.



London  
27 November 2006

By Order of the Board,  
A. M. PAYNE  
Secretary

# Constantin

Registered Auditor

Aldwych House, 81 Aldwych, London WC2B 4HN

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## Independent Auditor's Report

to the Shareholders of Louis Dreyfus & Co. Limited

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We have audited the group and parent company financial statements (the "financial statements") of Louis Dreyfus & Co. Limited for the year ended 31 December 2005 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is solely for the company's members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibilities to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 of 1985. We also report to you, if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of opinion

We conducted our audit in accordance with International Auditing Standards on Auditing (UK and Ireland) 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 accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

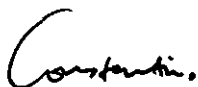
We planned and performed our audit so as to obtain all the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2005 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Constantin  
27 November 2006  
Registered Auditor



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# Louis Dreyfus & Co. Limited

## Accounting Policies

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- i. **Basis of accounting**  
The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards except as noted in paragraph (x) below.
- ii. **Basis of consolidation**  
The group accounts consolidate the accounts of the company and its subsidiaries. The financial years of all subsidiaries are coterminous with the parent company.  
Associated undertakings are those companies in which the group has a participating interest and exerts significant influence.
- iii. **Consolidation of subsidiaries accounting in non-dollar currencies**  
On consolidation, assets and liabilities of subsidiary and associated companies denominated in non-dollar currencies are translated into dollars at year end closing rates of exchange. Income statements are translated at year end closing rates of exchange.  
Exchange differences resulting from the translation of net investments in subsidiary and associated undertakings at closing rates are dealt with as movements in reserves as are differences arising on equity investments denominated in foreign currencies in the holding company's accounts. Differences on relevant foreign currency loans are taken to reserves and offset against the differences on net investments in both group and company accounts.
- iv. **Foreign currency translation in individual undertakings**  
Assets and liabilities denominated in other than the functional currency at the balance sheet date are translated at the rates ruling on that date or if appropriate at a forward contract rate.  
Trading transactions are translated at the rate ruling on the settlement date and related gains and losses on exchange are recognised in the profit and loss account.
- v. **Turnover**  
Turnover represents the amount receivable for goods and services supplied to customers on completion of a contract in respect of commodity trading and other activities, including interest receivable but excluding intra group transactions and value added tax.
- vi. **Forward Contracts**  
Forward purchases and sales of commodities are valued at either quoted market values, or, if unavailable, directors' valuation at the balance sheet date and any profit or loss is recognised in the profit and loss account.
- vii. **Deferred Taxation**  
Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.
- viii. **Tangible fixed assets and depreciation**  
Tangible fixed assets are stated at cost less accumulated depreciation including provision for impairment in value. Depreciation rates are calculated so that assets are written down to estimated residual value in equal annual instalments over their expected useful lives which are as follows:

Freehold buildings	30 years
Short leasehold property	Term of lease
Equipment and Motor Vehicles	Between 4 and 14 years
Leasehold Improvements	Period of lease

  
Freehold land is not depreciated.
- ix. **Investments**  
Investments, other than associated undertakings (see paragraph (ii) above) and subsidiary companies, are stated at the lower of cost or estimated realisable value. In the accounts of the company, investments in subsidiaries, including loans, are shown at cost less impairment in value.
- x. **Stocks**  
Traded commodities are valued at market values at the balance sheet date. Although not in accordance with SSAP 9, the directors believe that this policy, which is internationally accepted for commodity trading groups, gives a fairer reflection of its commodity trading activities.
- xi. **Pension costs**  
The cost of pension contributions is charged to the profit and loss account as explained in note 2. The company has applied FRS 17 with effect from 1 January 2005.

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# **Louis Dreyfus & Co. Limited**

## **Accounting Policies continued**

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xii. **Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

xiii. **Cash flow statement**

In accordance with Financial Reporting Standard No.1, the company has taken advantage of the exemption for subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to prepare a cash flow statement, as the consolidated financial statements in which the company is included are publicly available.

# Louis Dreyfus & Co. Limited

## Group Profit and Loss Account

YEARS ENDED 31 DECEMBER

	Notes	2005 \$000	2004 Restated \$000
Turnover	1	1,535,084	1,490,642
Cost of Sales		<u>(1,476,264)</u>	<u>(1,404,344)</u>
Gross Profit		58,820	86,298
Administrative Expenses		(33,514)	(68,859)
Other Operating Income		757	1,651
Exceptional Item	2	<u>-</u>	<u>3,682</u>
Operating Profit	2	26,063	22,772
(Loss)/Profit on Sale on Fixed Assets	3	(1,087)	2,634
Interest Receivable and Similar Income	4	6,603	1,977
Interest Payable and Similar Charges	5	<u>(28,612)</u>	<u>(5,917)</u>
Profit on Ordinary Activities Before Taxation		2,967	21,466
Tax on Profit on Ordinary Activities	7	<u>(8,528)</u>	<u>(4,407)</u>
Profit on Ordinary Activities After Taxation			
Transferred to Reserves	15	<u>(5,561)</u>	<u>17,059</u>

All of the above items relate to continuing activities.

The notes on pages 11 to 19 form an integral part of these accounts.



# Louis Dreyfus & Co Limited

## Group Balance Sheet

AS AT 31 DECEMBER

	Notes	2005 \$000	2004 Restated \$000
<b>Fixed Assets</b>			
Tangible Fixed Assets	8	3,706	3,278
Investments	9	<u>694</u>	<u>5,697</u>
		<u>4,400</u>	<u>8,975</u>
<b>Current Assets</b>			
Stocks	10	203,454	118,328
Debtors	11	472,830	370,597
Cash at bank and in hand		<u>3,795</u>	<u>21,588</u>
		<u>680,079</u>	<u>510,513</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(608,633)</u>	<u>(432,343)</u>
<b>Net Current Assets</b>		<u>71,446</u>	<u>78,170</u>
<b>Total Assets Less Current Liabilities</b>		<u>75,846</u>	<u>87,145</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	-	(5,000)
<b>Pension Fund Deficit</b>	19	<u>(6,911)</u>	<u>(3,620)</u>
<b>Net Assets</b>		<u>68,935</u>	<u>78,525</u>
<b>Capital Reserves</b>			
Called up share capital	14	32,445	32,445
Profit and loss account		<u>36,490</u>	<u>46,080</u>
<b>Shareholders' Funds</b>	15	<u>68,935</u>	<u>78,525</u>

Approved by the Board on 27 November 2006  
I.S. MCINTOSH *Director*



The notes on pages 11 to 19 form an integral part of these accounts.

# Louis Dreyfus & Co. Limited

## Balance Sheet

AS AT 31 DECEMBER

	Notes	2005 \$000	2004 Restated \$000
<b>Fixed Assets</b>			
Tangible Fixed Assets		8	8
Investments	9	67,800	84,633
		<u>67,808</u>	<u>84,641</u>
<b>Current Assets</b>			
Debtors	11	1,225	203,624
Cash at bank and in hand		1,029	13,075
		<u>2,254</u>	<u>216,699</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(1,079)</u>	<u>(242,510)</u>
<b>Net Current Assets/(Liabilities)</b>		<u>1,175</u>	<u>(25,811)</u>
<b>Total Assets Less Current Liabilities</b>		68,983	58,830
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>-</u>	<u>(5,000)</u>
<b>Net Assets</b>		<u>68,983</u>	<u>53,830</u>
<b>Capital Reserves</b>			
Called up share capital	14	32,445	32,445
Profit and loss account		<u>36,538</u>	<u>21,385</u>
<b>Shareholders' Funds</b>		<u>68,983</u>	<u>53,830</u>

Approved by the Board on 27 November 2006  
I.S. MCINTOSH *Director*



The notes on pages 11 to 19 form an integral part of these accounts.

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# Louis Dreyfus & Co Limited

## Statement of Total Recognised Gains and Losses

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YEARS ENDED 31 DECEMBER

	2005	2004
	\$000	Restated \$000
(Loss)/profit for the financial year	(5,561)	17,059
Currency translation differences on foreign currency net investments	222	(366)
Actuarial loss recognised in the pension scheme	(6,075)	(467)
Movement on deferred tax relating to pension asset	1,823	2,131
	<hr/>	<hr/>
<b>Total gains and losses recognised since last annual report</b>	<b>(9,591)</b>	<b>18,357</b>

The notes on pages 11 to 19 form an integral part of these accounts.

# Notes to the Accounts

## 1. SEGMENTAL INFORMATION

	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
	Turnover		Profit/(loss) before taxation		Net Assets	
Commodity trading	1,535,084	1,476,989	23,144	16,282	47,720	77,678
Financial product trading	-	13,653	(20,177)	5,184	21,215	4,467
	<u>1,535,084</u>	<u>1,490,642</u>	<u>2,967</u>	<u>21,466</u>	<u>68,935</u>	<u>82,145</u>

The group is primarily engaged in commodity trading, resulting in turnover originating in the United Kingdom. The nature of commodity trading is such that it is not possible to establish the geographical split of turnover by destination.

## 2. OPERATING PROFIT FOR THE YEAR is stated after charging/(crediting) the following:

	2005 \$000	2004 \$000
Wages and salaries	14,936	50,503
Social security costs	1,465	1,738
Group pension scheme costs	1,062	324
Depreciation	720	552
Operating Lease Rentals - Land And Buildings	2,379	2,379
Auditors' remuneration	441	215
Exchange (gain)/loss	(9,335)	6,431

The exceptional item in 2004 relates to the write back of amounts owed to group undertakings.

## 3. (LOSS)/PROFIT ON SALE OF FIXED ASSETS

	2005 \$000	2004 \$000
(Loss)/Profit on sale of fixed asset investments	(1,087)	1,725
Profit on sale of tangible fixed assets	-	909
	<u>(1,087)</u>	<u>2,634</u>

## 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005 \$000	2004 \$000
Group undertakings	959	1,803
Banks	5,644	174
	<u>6,603</u>	<u>1,977</u>

# Notes to the Accounts (continued)

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 \$000	2004 \$000
Group undertakings	4,060	1,161
Bank borrowings wholly repayable within 5 years	24,284	4,629
Finance cost of cumulative redeemable preference shares	268	127
	<u>28,612</u>	<u>5,917</u>

## 6. DIRECTORS REMUNERATION

	2005 \$000	2004 \$000
Directors' emoluments	2,967	4,010
Emoluments of the highest paid director	<u>1,465</u>	<u>2,589</u>

	2005 \$000	2004 \$000
Number of directors to whom pension entitlements are accruing under a defined benefits scheme.	<u>4</u>	<u>4</u>

# Notes to the Accounts (continued)

## 7. Taxation

The company is a close company.

a) Analysis of charge in the year:

	2005 \$000	2004 \$000
<b>Current tax:</b>		
UK corporation tax on profits of the period	2,426	638
Adjustments in respect of previous periods	3,663	1,032
Foreign tax	2,027	2,157
Total current tax	8,116	3,827
<b>Deferred tax:</b>		
Tax losses	-	-
Timing difference	412	580
Tax on profit on ordinary activities	8,528	4,407

b) Factors affecting tax charge for the year

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 30% (2004: 30%)

The differences are explained below:

	2005 \$000	2004 \$000
Profit on ordinary activities before tax	2,967	21,466
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	890	6,440
Effects of:		
Expenses not deductible for tax purposes	698	182
Tax losses unrelieved	-	149
Group relief surrendered for no consideration	693	96
Depreciation for period in excess of capital allowances	30	218
Tax provided on overseas subsidiaries taxable in UK	19	174
Adjustments to tax charge in respect of previous periods	3,663	1,033
Foreign exchange movement on tax liability	(197)	(733)
Difference due to tax rates suffered overseas	40	(146)
Loan waiver not deductible for tax purposes	2,184	-
Gain on sale of investments exempt from tax	-	(518)
Non-deductible provision against investments	-	(1,613)
Non-deductible/(taxable) consolidation adjustments	(77)	(1,470)
FRS 17 adjustment	(412)	-
Non-deductible capital loss	341	-
Other	244	15
Current tax charge of period	8,116	3,827

# Notes to the Accounts (continued)

## 8. TANGIBLE FIXED ASSETS

Group	Short Leasehold Property \$000	Freehold Land and Buildings \$000	Equipment and Motor Vehicles \$000	Leasehold Improvements \$000	Total \$000
Cost:					
<i>At 1 January 2005</i>	16	1,334	3,467	1,096	5,913
Additions	426		722	-	1,148
Disposals	-	-	(1)		(1)
<b>At 31 December 2005</b>	<b>442</b>	<b>1,334</b>	<b>4,188</b>	<b>1,096</b>	<b>7,060</b>
Depreciation:					
<i>at 1 January 2005</i>	(12)	(115)	(1,717)	(791)	(2,635)
Provision for year	(89)	(48)	(507)	(76)	(720)
Released on disposals	-	-	1	-	1
<b>At 31 December 2005</b>	<b>(101)</b>	<b>(163)</b>	<b>(2,223)</b>	<b>(867)</b>	<b>(3,354)</b>
<b>Net book amounts at 31 December 2005</b>	<b>341</b>	<b>1,171</b>	<b>1,965</b>	<b>229</b>	<b>3,706</b>
<i>Net book amounts at 31 December 2004</i>	4	1,219	1,750	305	3,278

# Notes to the Accounts (continued)

## 9. INVESTMENTS

Group	Shares in significant holdings \$000	Other unlisted Investments \$000	Total \$000
At 1 January 2005	55	5,642	5,697
Disposals	-	(5,003)	(5,003)
At 31 December 2005	55	639	694

### Company

Cost	Shares in subsidiary undertaking \$000
At 1 January 2005	84,633
Additions	24,858
Disposals	(41,691)
At 31 December 2005	67,800

The subsidiary companies of Louis Dreyfus & Co Limited at 31 December 2005 are shown on page 20 and are all wholly owned, operate within the UK and are included in the consolidation.

The market value of unlisted investments is, in the opinion of the directors, not materially different from their cost. The interest in associated undertakings, held by the group, includes the equity share capital of the following companies:

Name of company	Country of incorporation	Description of shares	Proportion held	Activity
Kings Lynn Silos Ltd.	England	Ordinary of £1	33%	Commodities

In accordance with FRS 9, these associates have not been included in the consolidation on grounds of immateriality. The group disposals for the year relate to investments in Louis Dreyfus Trade Finance Limited and BSF Seed Producers G.B., companies registered in the United Kingdom. The company additions relate to a further investment in Louis Dreyfus Trading Limited. The company disposals relate to 100% of the share capital of Louis Dreyfus Services Limited and Louis Dreyfus Commodities and Finance Limited ("LDCF").

## 10. STOCKS

	2005 \$000	2004 \$000
Traded commodity stocks	203,454	118,328

## 11. DEBTORS

	Group		Company	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Trade debtors	331,931	272,907	-	-
Amounts owed by group undertakings	12,673	43,119	1,223	191,883
Other debtors	1,375	1,776	2	-
Prepayments and accrued income	126,851	45,901	-	41
Corporation tax	-	6,894	-	11,700
	472,830	370,597	1,225	203,624



# Notes to the Accounts (continued)

## 12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	\$000	\$000	\$000	\$000
Bank loans and overdrafts, unsecured	358,405	267,784	-	227,727
Trade creditors	61,062	11,241	-	17
Amounts owed to group undertakings	107,208	120,956	-	14,452
Other creditors	8,633	3,167	58	38
Accruals and deferred income	67,736	29,195	6	276
Corporation tax	5,589	-	1,015	-
	<u>608,633</u>	<u>432,343</u>	<u>1,079</u>	<u>242,510</u>

## 13. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	\$000	\$000	\$000	\$000
Amounts owed to group undertakings	-	5,000	-	5,000

## 14. SHARE CAPITAL

	2005	2004
	\$000	\$000
<b>Authorised</b>		
100,000,000 ordinary shares of US\$1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
32,445,000 ordinary shares of US\$1 each	<u>32,445</u>	<u>32,445</u>

## 15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS (Group)

	2005	2004
	\$000	\$000
Opening shareholders' funds as previously reported	78,525	64,872
Prior year adjustment		
- Actuarial loss on pension scheme	-	(3,040)
Opening shareholders' funds as restated	78,525	61,832
Retained (loss)/profit for the year	(5,561)	17,059
Currency translation differences on foreign equity investments	222	(366)
Actuarial loss on pension scheme	(4,251)	-
Closing shareholders' funds	<u>68,935</u>	<u>78,525</u>

The prior year adjustment relates to the recognition of the pension fund deficit in accordance with FRS 17.

# Notes to the Accounts (continued)

## 16. CONTINGENT LIABILITIES

The company has guaranteed letters of credit issued in respect of subsidiaries amounting to \$47,250,193. (2004 - \$58,944,423).

## 17. COMMITMENTS

In the normal course of business the group has entered into forward contracts for the purchase and sale of commodities.

At 31 December 2005 the group had annual commitments under non-cancellable operating leases in respect of land and buildings as follows.

	2005 \$000	2004 \$000
Within one year	3,028	3,028
Between two and five years	12,110	12,110
After 5 years	6,055	3,028
	<b>21,193</b>	<b>18,165</b>

## 18. NUMBER OF EMPLOYEES

	2005 103	2004 138
Commodity Trading		

## 19. PENSION COSTS – FRS 17 DISCLOSURES

The company operates a defined benefit pension scheme (the "Scheme"). An estimate of the scheme's financial position was carried out at 31 December 2005 by a qualified independent actuary. The estimate was based on the last full valuation as at 1 January 2003. The Company paid contributions of \$1,361,000 in the year to 31 December 2005. The major assumptions used by the actuary were:

	2005	2004
Salary increases	3.00%	3.10%
Increases to pensions and deferred pensions	2.50%	2.50%
Discount rate	5.00%	5.60%
RPI	2.50%	2.50%

The assets of the Fund and expected return on assets	\$000	%	\$000	%
Annuity contracts already purchased	37,354	5.00	38,966	5.60
Clerical Medical Group Pension Contract and other net assets	30,578	6.00	32,621	6.60
	<u>67,932</u>		<u>71,587</u>	
Actuarial Liabilities	<u>(77,804)</u>		<u>(76,758)</u>	
Deficit	(9,872)		(5,171)	
Related deferred tax asset	2,961		1,551	
Net pension liability	<u>(6,911)</u>		<u>(3,620)</u>	

# Notes to the Accounts (continued)

## 19. PENSION COSTS – FRS 17 DISCLOSURES (continued)

	2005	2004	
	\$000	\$000	
<b>Analysis of the defined benefit cost charged to operating profit</b>			
Service cost	603	549	
<b>Analysis of other amounts charged to operating profit</b>			
Gain on settlements	-	-	
Gain on curtailments	-	-	
	<u>-</u>	<u>-</u>	
<b>Analysis of the amount credited to financing of pension provisions</b>			
Expected return	3,913	3,991	
Interest on pension liabilities	(3,846)	(4,137)	
	<u>67</u>	<u>(146)</u>	
<b>Amount recognised in the statement of total recognised gains &amp; losses</b>			
Actual return in excess of expected return	455	488	
Experience gains and losses	146	(904)	
Change in assumptions underlying present value of fund liabilities	(6,676)	(50)	
	<u>(6,075)</u>	<u>(466)</u>	
Actuarial loss			
<b>Movement in deficit during year</b>			
Deficit at the start of the year	(5,171)	(6,638)	
Foreign exchange difference	548	(482)	
Total operating charge	(603)	(549)	
Settlement cost	-	-	
Curtailment cost	-	-	
Contributions	1,361	3,110	
Net return	67	(146)	
Actuarial loss in the statement of total recognised gains and losses	(6,075)	(466)	
	<u>(9,873)</u>	<u>(5,171)</u>	
Deficit at the end of the year before deferred tax			
Deferred tax asset	2,962	1,551	
	<u>(6,911)</u>	<u>(3,620)</u>	
Net Deficit			
<b>History of experience gains and losses</b>	<b>Year ending 31 Dec 2005</b>	<b>Year ending 31 Dec 2004</b>	<b>Year ending 31 Dec 2003</b>
Difference between the expected and actual return on scheme assets			
▪ Amount (\$000s)	455	488	(483)
▪ Percentage of scheme assets	1%	1%	(1%)
Experience gains and (losses) on scheme liabilities:			
▪ Amount (\$000s)	146	(904)	(2,708)
▪ Percentage of the present value of the scheme liabilities	0%	(1%)	(4%)
Total amount recognised in statement of total recognised gains and losses			
▪ Amount (\$000s)	(6,075)	(466)	(3,191)
▪ Percentage of the present value of the scheme liabilities	(8%)	(1%)	(5%)

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# Notes to the Accounts (continued)

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## 20. COMPANY

The company has not disclosed its own profit and loss account as permitted by section 230 of Companies Act 1985  
The profit for the year was \$15,152,034 (2004 profit: \$4,121,626).

## 21. ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Louis Dreyfus SAS, incorporated in France. The ultimate controlling party is the Louis Dreyfus family.

## 22. POST BALANCE SHEET EVENTS

In March 2006 the Group announced its intention to transfer most of its trading operations to a new company in Switzerland. This transfer took place in August and September 2006. Louis Dreyfus & Co. Limited remains a holding company in the UK.

## 23. GROUP ACCOUNTS

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

Name	Louis Dreyfus SAS
Address from where copies of the group accounts can be obtained	87 Avenue de la Grande Armee, 75782 Paris
Country of incorporation	France

In accordance with FRS 8, Related Party Transactions, the company has taken advantage of the exemption for subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to disclose related party transactions, as the consolidated financial statements in which the company is included are publicly available.

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# Principal Subsidiaries

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Registered in England

**LOUIS DREYFUS TRADING LIMITED**  
Directors

**Commodity Trading**  
I.S. McIntosh  
P.H. Akroyd  
R. Allen  
J. Barritt  
B. Laferriere  
D. Ohayon  
N. Mamalis

Registered Office

Queensberry House, 3 Old Burlington Street, London W1S 3LD

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Registered in England

**LOUIS DREYFUS SERVICES LIMITED**  
Directors

**Commodity Consultancy**  
J. Barritt  
P. De Camaret  
J. Gandar  
H. Wolkin

Registered Office

Queensberry House, 3 Old Burlington Street, London W1S 3LD

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Registered in England

**LOUIS DREYFUS COMMODITIES  
& FINANCE LIMITED**  
Directors

**Financial Product Trading**  
P.H. Akroyd  
J. Barritt  
P. De Camaret  
I. S. McIntosh  
N. Mamalis

Registered Office

Queensberry House, 3 Old Burlington Street, London W1S 3LD

Exemption has been taken of the disclosures required under section 231 (5) (6) of the Companies Act 1985 on the grounds that in the directors' opinion, only the aforementioned companies' results or financial position principally affect the accounts of the group.