

Company Registration No. 961989

Glencore Grain UK Limited

Report and Financial Statements

31 December 2010

WEDNESDAY



AWOIBVL3

A44

06/07/2011

235

COMPANIES HOUSE

Glencore Grain UK Limited

Report and financial statements 2010

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	6
Independent auditor's report	7
Consolidated income statement	9
Consolidated and company statement of changes in equity	9
Consolidated and company balance sheet	10
Consolidated cash flow statement	11
Notes to the accounts	12

Glencore Grain UK Limited

Officers and professional advisers

Report and financial statements 2010

Directors

K L Davies
C J Mahoney
E C B Mostert

Secretary

S P Pujara

Registered Office

Glencore Grain UK Limited
Warren House
Bell Lane
Thame
Oxon OX9 3AL

Independent Auditors

Deloitte LLP
Chartered Accountants
London, United Kingdom

Glencore Grain UK Limited

Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 31 December 2010

Principal activities

The Company is a wholly owned subsidiary of Glencore International AG. The principal activities of the Company are those of grain merchants and traders. These activities continued throughout the year and are expected to increase due to our exclusive supply agreement with Ensus, further details of which are included in the business review below.

The Company's subsidiaries have not traded during the year.

Business review

2010 has been another successful trading year for Glencore Grain UK Limited.

From a slow start, it was not until the full impact of the various crop failures throughout the World started to become apparent, did we see volatility return to the market.

In Europe, heat waves scorched Russia, whilst rains, in turn, destroyed crops in Poland. Crop failure contagion continued as Canada and then Australia suffered extreme weather conditions, resulting in the loss of over 80 million tonnes of grains from the traditional suppliers to the World Markets. All of these factors led to dynamic volatile conditions, however despite the various crop issues, Glencore Grain UK continued to manage risk and trade profitably.

In the UK we saw the first ethanol production commencing in late Q1 from the Ensus plant at Wilton and despite well documented environmental issues, which are being addressed, Glencore see Ensus as a key trading partner in the UK in both the short and longer term.

We continue to foster our own farm collect together with local Merchants and Cooperatives and through this combined procurement approach, believe we have the necessary infrastructure to meet the challenging demands of both growers and consumers.

2010 saw the Company invest in long term storage partnerships and processing units to secure essential supply line tonnages.

Despite the onset of ethanol production in the UK, we continue to look for export opportunities through the Port of Tilbury, providing us access to all third World destinations.

Having achieved ISCC (International Sustainability and Carbon Certification) status, Glencore Grain UK are now placed to meet the various RED (Renewable Energy Directive) compliance issues demanded throughout the World Biofuel Industry.

2010 also saw continued investments and upgrades of our award winning trading tool www.grainman.co.uk along with the launch of the cornXchange website.

Rising commodity prices and increased volumes have had the effect of increasing carrying values of inventory, debtors and forward commodity contracts by about £83 million. This has been offset by increased values of creditors and forward commodity contracts of about £36 million with the gap filled by increased group borrowing (see note 18).

Average staff numbers increased from 34 to 36 with additions of a member of staff each to the trading and execution teams.

With crop plantings rising and global demand continuing apace, Glencore Grain UK Limited see a continued profitable role for the Company and its shareholder.

Glencore Grain UK Limited

Directors' report

Business review (continued)

The following Key Performance Indicators ("KPI's") illustrate the Company's performance over the past year

Key Performance Indicator (KPI)	2010	2009	KPIs definitions
Sales volume growth (%)	69.8%	(20.3)%	Year on year sales volume growth expressed as a percentage
Revenue (£'000's)	293,311	163,139	Revenue refers to annual revenue net of VAT, sales taxes or duty, expressed in thousands of pounds sterling
Gross profit (£'000's)	10,247	5,073	Gross margin is revenue less cost of goods sold and other on-costs, expressed in thousands of pounds sterling
Net profit (£'000's)	6,235	2,029	Annual profit before tax expressed in thousands of pounds sterling

The sales volume increase is mainly due to our supply to the Ensus bio-ethanol plant in Teesside. Revenues reflect the increased volume and also increased commodity prices in the latter part of the year. Gross and net profit were significantly improved over 2009 as we carried forward significantly large open position profits into 2011.

Principal risks and uncertainties facing the business

Risk management is an integral part of the Company's grain trading activity. The principal risks can be categorised as Financial Risk (such as commodity price risk, credit risk and foreign exchange risk) and Operational Risk (uncertainties in the areas of human resources, technology, regulatory etc).

In order to minimise Financial Risk, the Company utilises futures and options commodity contracts and also forward currency contracts. The Company also insures itself against credit risk. With regard to Operational Risk, the Company continually monitors the various aspects mentioned previously and ensures that effective management is in place to minimise the impact of these events.

Details of significant events since the balance sheet date are contained in note 23 to the financial statements.

Dividends

The directors do not recommend a final dividend.

No interim dividend was paid.

Capital structure

Details of issued share capital are given in Note 19.

Glencore Grain UK Limited

Directors' report

Directors

The directors, who served throughout the year and to the date of signing, were as follows

K L Davies
C J Mahoney
E C B Mostert

Directors' interests

No Directors' interests disclosed as none of the Directors had any discloseable interests in the shares of the Company, its subsidiaries or its associated Company during the year

Supplier payment policy

The Company's policy is to agree terms of payment with suppliers when agreeing the basis of each transaction, ensure that suppliers are made aware of the terms of payment and abide by these terms. Trade creditors of the Company at 31 December 2010 were equivalent to 16 days' purchases (2009 – 20 days), based on the average daily amount invoiced by suppliers during the year

Charitable and political contributions

During the year the Group made charitable donations of £2,100 (2009 - £964), principally to local charities serving the communities in which the Glencore Grain UK Group operates

Substantial shareholdings

The Company is a wholly owned subsidiary of Glencore International AG. There has been no change in the shareholding of the Company which at 31 December 2010 and 2009 was as below

Shares	Name of holder	Number	Percentage held
Ordinary shares of £0.01	Glencore International AG	300,000	100
Deferred shares of £1.00	Glencore International AG	<u>300,000</u>	<u>100</u>

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going concern

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The Company meets its day to day working capital requirements through an overdraft facility that is due for renewal during June 2011. Although the current economic conditions create uncertainty, particularly over the availability of bank finance in the foreseeable future, the Company's forecasts and projections,

Glencore Grain UK Limited

Directors' report

taking account of possible changes in trading performance, show that the Company will be able to operate within the level of its current facility. The Company will open renewal negotiations with the bank in due course and has every expectation that renewal will be forthcoming on acceptable terms.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company has elected to dispense with the obligation to appoint auditors annually and accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 485(1) of the Companies Act 2006.

By order of the Board



S P Pujara
Secretary

8 March 2011

Glencore Grain UK Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Glencore Grain UK Limited

We have audited the financial statements of Glencore Grain UK Limited for the year ended 31 December 2010 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,

- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

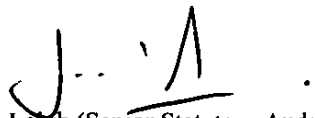
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



James Leigh (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

9 March 2011

Glencore Grain UK Limited

Consolidated statement of comprehensive income Year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Revenue	3	293,311	163,139
Cost of sales		(283,064)	(158,066)
Gross profit		10,247	5,073
Administrative expenses	5,6	(3,842)	(3,141)
Operating profit		6,405	1,932
Investment revenues	7	1	127
Finance costs	8	(171)	(30)
Profit before tax		6,235	2,029
Tax	9	(1,729)	(579)
Profit for the financial year		4,506	1,450

Consolidated and company statement of changes in equity Year ended 31 December 2010

	Share Capital £'000	Retained Earnings £'000	Total £'000
Balance at 31 December 2008	303	4,391	4,694
Profit for the year	-	1,450	1,450
Balance at 31 December 2009	303	5,841	6,144
Profit for the year	-	4,506	4,506
Balance at 31 December 2010	303	10,347	10,650

The consolidated statements of changes in equity and Company only statement of changes in equity are identical

Consolidated and company statement of financial position
31 December 2010

	Notes	Group		Company	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Non-current assets					
Property, plant and equipment	11	200	97	200	97
Investments	12	-	-	-	-
Retirement benefit obligations	22	17	-	17	-
Deferred tax asset	17	150	147	150	147
		<u>367</u>	<u>244</u>	<u>367</u>	<u>244</u>
Current assets					
Inventories	13	32,421	10,895	32,421	10,895
Trade and other receivables	14	56,264	16,758	56,264	16,758
Derivative financial instruments	16	24,811	3,099	24,811	3,099
Current tax asset		81	89	81	89
		<u>113,577</u>	<u>30,841</u>	<u>113,577</u>	<u>30,841</u>
Total assets		<u>113,944</u>	<u>31,085</u>	<u>113,944</u>	<u>31,085</u>
Current liabilities					
Trade and other payables	18	(85,093)	(19,798)	(85,093)	(19,798)
Bank overdrafts and loans	15	(533)	(1,837)	(533)	(1,837)
Derivative financial instruments	16	(16,133)	(2,909)	(16,133)	(2,909)
Current tax liability		(1,535)	-	(1,535)	-
		<u>(103,294)</u>	<u>(24,544)</u>	<u>(103,294)</u>	<u>(24,544)</u>
Net current assets		<u>10,283</u>	<u>6,297</u>	<u>10,283</u>	<u>6,297</u>
Non-current liabilities					
Retirement benefit obligations	22	-	(397)	-	(397)
		<u>-</u>	<u>(397)</u>	<u>-</u>	<u>(397)</u>
Total liabilities		<u>(103,294)</u>	<u>(24,941)</u>	<u>(103,294)</u>	<u>(24,941)</u>
Net assets		<u>10,650</u>	<u>6,144</u>	<u>10,650</u>	<u>6,144</u>
Equity					
Share capital	19	303	303	303	303
Retained earnings		10,347	5,841	10,347	5,841
Total equity		<u>10,650</u>	<u>6,144</u>	<u>10,650</u>	<u>6,144</u>

The financial statements were approved by the board of directors and authorised for issue on 8 March 2011

They were signed on its behalf by



K L Davies, Director

Glencore Grain UK Limited

Consolidated statement of cash flow Year ended 31 December 2010

	2010 £'000	2009 £'000
Operating activities		
Operating profit	6,405	1,932
Depreciation of property, plant and equipment	72	44
	<hr/>	<hr/>
Operating cash flows before movements in working capital	6,477	1,976
(Increase) in stock	(21,526)	(5,097)
(Increase)/ decrease in receivables	(61,216)	17,578
Increase/ (decrease) in payables	78,105	(10,321)
	<hr/>	<hr/>
Cash generated by operations	1,840	4,136
Interest paid	(171)	(33)
Income taxes paid	(191)	(210)
	<hr/>	<hr/>
Net cash used in operating activities	1,478	3,893
	<hr/>	<hr/>
Investing activities		
Interest received	1	130
Purchases of property, plant and equipment	(175)	(74)
	<hr/>	<hr/>
Net cash from investing activities	(174)	56
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,304	3,949
Cash and cash equivalents at the beginning of year	(1,837)	(5,786)
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	(533)	(1,837)
	<hr/>	<hr/>

The consolidated cash flow statement and Company only cash flow statements are identical

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

1. General information

Glencore Grain UK Limited is a Company registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Directors' Report.

Adoption of new and revised Standards

In the current year, the following standards and interpretations have been issued and/or updated and are effective for the current period:

IAS 1	Presentation of Financial Statements (amendment)
IAS 7	Statement of Cash Flows (amendment)
IAS 17	Leases (amendment)
IAS 27	Consolidated and Separate Financial Statements (amendment due to revision of IFRS 3)
IAS 36	Impairment of assets (amendment resulting from annual improvement to IFRSs)
IAS 39	Financial Instruments: Recognition and Measurement (amendment resulting from annual improvement to IFRSs)
IFRS 2	Share-based payment (amendment)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (amendment)
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers

The adoption of these Standards has not led to any changes in the Group's accounting policies.

The Group also unadopted IFRS 8 "Operating Segments", as explained in note 4, which has not led to any changes in the Group's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1 (amended)/IAS 27 (amended) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

IFRS 1 (amended)*	Additional Exemptions for First-time Adopters
IFRS 7 (amended)	Financial Instruments: Disclosures
IFRS 3 (amended)	Business Combinations
IFRS 9*	Financial Instruments: Classification and Measurement
IAS 12 (amended)	Income Taxes
IAS 24 (revised 2009)*	Related Party Disclosures
IAS 27 (revised 2008)	Consolidated and Separate Financial Statements
IAS 32 (amended)*	Classification of Rights Issues
IFRIC 14 (amended)	Prepayment of a Minimum Funding Requirement
IFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

Improvements to IFRSs (2009)**

* Not yet endorsed by EU

** Improvements with effective date 1 January 2010 have not yet been endorsed by EU

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

Statement of Compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations.

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

endorsed by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS

2. Accounting policies

The principal accounting policies adopted in the presentation of these financial statements are set out below

Basis of preparation

The financial statements of the Group and Company are prepared under the historical cost convention except as described within the summary of significant accounting policies as set out below. These policies have been consistently applied in the current and preceding year.

The preparation of financial information in conformity with IFRS as adopted by the EU, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies.

Going concern

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The Company meets its day to day working capital requirements through an overdraft facility that is due for renewal during June 2011. Although the current economic conditions create uncertainty particularly over the availability of bank finance in the foreseeable future, the Company's forecasts and projections, taking account of possible changes in trading performance, show that the Company will be able to operate within the level of its current facility. The Company will open renewal negotiations with the bank in due course and has every expectation that renewal will be forthcoming on acceptable terms.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiaries for the year ended 31 December 2010. No differences exist between the Group and Company balance sheets other than for investments in 100% owned subsidiaries of £3.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of grain, excluding value added tax. Revenue is attributable to the Group and the Company's principal activity. Title passes when the risk and reward for goods transfers to the Group and the Company.

Leasing

Leases are classified into finance or operating leases and treated accordingly.

(a) Finance leases

A lease is classified as a finance lease where the Group and the Company obtains substantially all the risks and rewards of ownership of the related asset. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property, plant and equipment and the present value of minimum lease

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

payments Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period The corresponding rental obligations, net of finance charges, are included in other long-term borrowings The interest element of the finance cost is charged to the income statement over the lease period

2. Accounting policies (continued)

(b) Operating leases

A lease is classified as an operating lease where a significant portion of the risks and rewards of ownership are retained by the lessor Payments made under operating leases, net of lease incentives or premiums, are charged in the income statement on a straight-line basis over the period of the lease

Foreign currencies

(a) Functional and presentation currency

The Group and the Company's financial statements are presented in UK Sterling, which is also the Group and the Company's functional currency

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement (see below for details of the group's accounting policies in respect of such derivative financial instruments)

Retirement benefit costs

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date

The Group and Company adopt the "corridor" approach of recognising actuarial gains and losses, under the basis set out in IAS 19 This is based on the view that, in the long term, actuarial gains and losses may offset each other and the adoption of a range (referred to as a 'corridor') around the best estimate of the post-employment benefit obligation The minimum requirement of IAS 19 is that, to the extent that the unrecognised gains and losses exceed a corridor of 10 per cent, the excess is recognised in profit or loss over a specified time span, generally the average remaining working lives of the current and former employees participating in the plan The unrecognised cumulative actuarial gains and losses are one component in the calculation of the net defined benefit liability or asset The unrecognised cumulative actuarial gains and losses comprise both those within the 10 per cent corridor that are being deferred indefinitely and that portion outside the corridor that has not yet been recognised in profit or loss at the end of the reporting period

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for, unrecognised past service cost, reduced by the fair value of scheme assets, and then reduced in the application of the corridor approach above Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

2. Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and accumulated impairment losses.

Office equipment and fixtures and fittings are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets less estimated residual value, other than land and assets under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Plant and machinery	10%
Office, equipment, fixtures and fittings	20-33%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Inventories

Inventories consist of grain, pulses and rapeseed. The accounting for grain types sold under contracts that meet the definition of derivatives under IAS 39 are held at fair value as the trader broker exemption for derivative contracts in IAS 2 was elected. The other types of grains are accounted for at the lower of cost or net realisable value under IAS 2 as these are not derivatives and are outside the scope of IAS 39. Cost includes, where incurred, freight, import duties and cost of discharge where appropriate.

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Group and the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

The Group and the Company uses derivative financial instruments to hedge exposures to financial risks, such as foreign exchange and commodity price risks arising in the normal course of business. All derivative instruments are classified as held for trading and measured at fair value upon initial recognition and re-measured to fair value at each subsequent reporting date. Movements in the fair value of derivatives instruments are recognised within the income statement.

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

2. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's and the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 *Revenue* and, in particular, whether the Group and the Company had transferred to the buyer the significant risks and rewards of ownership of the goods.

Going concern

As explained above, and in the Director's report, the directors estimate that the Group have more than adequate resources to continue in operational existence, based on the Company's forecasts and projections.

Fair value estimates

As explained in note 16, the fair value of commodity trading contracts, the fair values of open commodity trading contracts is determined from quoted market values. Management will apply the market price which in their estimation, most accurately reflects the characteristics of the underlying contract, taking into account geographic location of collection or delivery, quality of grain, and other factors.

This also applies to the fair valuation of certain commodities held in stock at year end.

3. Revenue

	2010 £'000	2009 £'000
Continuing operations		
Revenue	293,311	163,139
Investment income	1	127
	<u>293,312</u>	<u>163,266</u>

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

4. Business and geographical segments

The Group previously adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer to allocate resources to the segments and to assess their performance. However, consistent with prior years the Group identifies the business as one reportable segment. All activity occurs in the UK and relates to entirely to grain trading. Therefore the Group has elected to un-adopt IFRS8. Given the above, there are no amounts to be restated with respect to the prior year.

The Group's financial information is consolidated at the highest level in the accounts of the ultimate parent Company, Glencore International AG, which adopted IFRS8 for the first time with effect from 1 January 2010.

5. Profit for the year

Profit for the year has been arrived at after charging/(crediting)

	2010 £'000	2009 £'000
Depreciation of property, plant and equipment – owned	72	44
Fair value profits on derivative financial instruments	(8,424)	(3,432)
Fair value increase in stock	(9,903)	(622)
Rentals under operating leases		
- plant and machinery	18	20
- other operating leases	66	66
Auditors' remuneration		
- Group audit fees	56	55
- Tax services	20	20
Staff costs (see note 6)	2,463	2,266

6. Directors' and staff costs

The average monthly number of employees (including executive directors) was

	2010 Number	2009 Number
Trading activities	15	14
Administrative activities	21	20
	36	34
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	1,861	1,683
Social security costs	187	164
Other pension costs (see note 22)	415	419
	2,463	2,266

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

6. Directors' and staff costs (continued)

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*

	2010 £'000	2009 £'000
Short-term employee benefits	241	221
Post-employment benefits	21	21
	<u>262</u>	<u>242</u>

The above table reflects the remuneration of the highest paid director, as other directors receive no remuneration for their services as directors of Glencore Grain UK Ltd

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £66k under the scheme at the end of the year. There is no accrued lump sum

7. Investment revenues

	2010 £'000	2009 £'000
Interest on bank deposits	-	-
Other interest income	1	127
	<u>1</u>	<u>127</u>

8. Finance costs

	2010 £'000	2009 £'000
Interest on bank overdrafts and loans	37	-
Interest payable to Group companies	134	-
Others	-	30
	<u>171</u>	<u>30</u>

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

9. Tax

	2010 £'000	2009 £'000
Current tax expense	1,725	631
Deferred tax (note 17)	(3)	(55)
Corporation tax adjustment in respect of prior years	7	3
	<u>1,729</u>	<u>579</u>

Corporation tax is calculated at 28% (2009 28%) of the estimated assessable profit for the year

The charge for the year can be reconciled to the profit per the income statement as follows

	2010 £'000	2010	2009 £'000	2009
Profit before tax	6,235		2,029	
Tax at the UK corporation tax rate of 28% (2009 28%)	1,746	28.0%	568	28.0%
Tax effect of items that are not deductible/(taxable) in determining taxable profit	(17)	(0.3)%	11	0.5%
Tax expenses and effective tax rate for the year	<u>1,729</u>	<u>27.7%</u>	<u>579</u>	<u>28.5%</u>

10. Dividends

No dividends were proposed or paid in the year (2009 £nil)

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

11. Property, plant and equipment

	Plant and machinery £'000	Office equipment fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2009	7	653	660
Additions	3	71	74
Disposals	-	-	-
At 31 December 2009	10	724	734
Additions	7	168	175
Disposals	-	(240)	(240)
At 31 December 2010	17	652	669
At 1 January 2009	7	586	593
Charge for the year	-	44	44
Eliminated on disposals	-	-	-
At 31 December 2009	7	630	637
Charge for the year	2	70	72
Eliminated on disposals	-	(240)	(240)
At 31 December 2010	9	460	469
Carrying amount			
At 31 December 2009	3	94	97
At 31 December 2010	8	192	200

12. Investments

Company	2010 £	2009 £
Cost:		
At 1 January 2010 and 31 December 2010	3	3

Details of the Company's subsidiaries at 31 December 2010, both of which are dormant, are as follows

Name	Place of incorporation ownership (or registration) and operation	Proportion of voting interest %	Proportion of for power held %	Method used to account investment
Ceres UK Limited	UK	100	100	Equity accounting
Grainman Limited	UK	100	100	Equity accounting

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

13. Inventories

	2010 £'000	2009 £'000
Stock contractually sold or hedged	32,421	10,895

There is no material difference between the balance sheet value of stocks and their replacement cost

The carrying amount of inventories held at fair value less costs to sell is £31,542k

14. Trade and other receivables

	2010 £'000	2009 £'000
Amount receivable for the sale of goods	54,103	14,310
Prepayments	1,811	1,087
Amount due from Group Company	-	1,361
Loan to Director	350	-
	56,264	16,758

The average credit period taken on sales of goods is 29 days (2009 25 days) The directors consider that the carrying amount of trade and other receivables approximates their fair value

Director's Loan

An amount of £350,000 was loaned to a Director Interest is chargeable at 1% over Bank Base Rate There have been no repayments at 31st December 2010 The loan will be repaid at a time to be determined during 2011

Credit risk

The Group's principal financial assets are trade and other receivables and derivative financial assets

The Group's credit risk is primarily attributable to its trade receivables The Company has an insurance policy, hence the amounts presented in the balance sheet are not net of allowances for doubtful receivables

The credit risk on liquid funds and derivative financial instruments is mitigated through the use of banks with high credit-ratings assigned by international credit-rating agencies The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers Additionally, there is a further letter of credit held in security against balances owed by the Company's largest customer

Notes to the accounts
Year ended 31 December 2010

15. Bank overdrafts and loans

	2010 £'000	2009 £'000
Bank overdrafts	533	1,837
The borrowings are repayable as follows		
On demand	533	1,837

	Sterling £'000	Euros £'000	US Dollars £'000	Total £'000
Analysis of borrowings by currency				
31 December 2010				
Bank overdrafts	542	(8)	(1)	(533)
31 December 2009				
Bank overdrafts	1,841	(2)	(2)	1,837

	2010 %	2009 %
The weighted average interest rates paid were as follows		
Bank overdrafts	1.50	1.64

The directors estimate that the carrying amounts of bank overdrafts are approximate to their fair value

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

16. Derivative financial instruments

Derivative financial instruments that are currently used by the Company include forward foreign exchange contracts, commodity futures, and commodity trading contracts. The fair value of derivative financial instruments at the balance sheet date is as follows:

	2010 £'000	2009 £'000
Current assets		
Commodity trading contracts	24,811	2,066
Commodity futures	-	154
Forward foreign exchange contracts	-	879
	<u>24,811</u>	<u>3,099</u>
Current liabilities		
Commodity trading contracts	889	1,924
Commodity futures	13,051	761
Forward foreign exchange contracts	2,193	224
	<u>16,133</u>	<u>2,909</u>

Commodity price risk

The Company manages its Commodity price risk by hedging a portion of its position on the LIFFE and MATIF futures markets. Quoted market values have been used to determine the fair value of commodity trading contracts and commodity futures at the balance sheet date. The total amount recognised within the income statement in relation to changes in the fair value of the commodity trading contracts was a profit of £24,161k (2009 profit of £1,350k). The total amount recognised within the income statement in relation to changes in the fair value of the commodity futures was a loss of £12,742k (2009 loss of £1,688k). A 10% reduction in prices would have had the effect of reducing the profit on commodity trading contracts by £8,398k (2009, reducing the profit by £2,610k) and reducing the loss on commodity futures by £11,040k (2009, increasing the profit by £2,915k).

Foreign exchange risk

The Company manages its currency risk by hedging its Sterling position, net of foreign currency contracts. Quoted market values have been used to determine the fair value of forward foreign exchange contracts at the balance sheet date. The total amount recognised within the income statement in relation to the changes in the fair value of exchange contracts was a loss of £2,848k (2009 profit of £3,770k). A 10% reduction in foreign exchange rates would have had the effect of reducing the loss by £2,251k (2009, reducing the profit by £2,661k).

Liquidity risk

Through the use of borrowings, finance leases, and short-term borrowings from related parties, the Company manages its liquidity to ensure that sufficient cash is available to meet all contractual commitments as they fall due and also to ensure that there is sufficient funding to withstand stressed market conditions or an extreme event.

Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern. The capital structure of the Company consists of short-term loans and equity comprising share capital and reserves. The Company has no current plans for debt financing. The Company is not subject to externally imposed capital requirements.

Glencore Grain UK Limited

**Notes to the accounts
Year ended 31 December 2010**

Credit risk management

Please refer to note 14

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

16. Derivative financial instruments (continued)

The table below analyses the Company's financial assets which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2010				
Derivative instruments	22,312	2,449	50	-
Trade and other receivables	56,264	-	-	-
		Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2009				
Derivative instruments	3,033	65	1	-
Trade and other receivables	16,758	-	-	-

The table below analyses the Company's financial liabilities which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2010				
Derivative instruments	15,754	379	-	-
Trade and other payables	85,093	-	-	-
Borrowings	533	-	-	-
		Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
At 31 December 2009				
Derivative instruments	2,872	37	-	-
Trade and other payables	19,798	-	-	-
Borrowings	1,837	-	-	-

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

16. Derivative financial instruments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 31 December 2010	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at FVTPL	-	-	-	-
Derivative financial assets	-	24,811	-	24,811
Total	-	24,811	-	24,811
Financial liabilities at FVTPL	-	-	-	-
Derivative financial liabilities	15,244	889	-	16,133
Total	15,244	889	-	16,133

17. Deferred tax

The following are the major deferred tax assets recognised by the Group and movements thereon during the current and prior reporting period

	Total £'000
At 1 January 2009	92
Credit to income	55
At 1 January 2010	147
Credit to income	3
As 31 December 2010	150

The deferred tax assets consist mainly of temporary differences arising on the pension deficit

18. Trade and other payables

	2010 £'000	2009 £'000
Trade creditors and accruals (incl other payable)	40,883	18,917
Amounts payable to Group companies	43,826	606
Accrued expenses	384	275
	85,093	19,798

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs
The average credit period taken for trade purchases is 16 days (2009 20 days)

The directors consider that the carrying amounts of trade payables are approximate to their fair value

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

19. Share capital

	2010 £'000	2009 £'000
Authorised:		
Equity - 300,000 ordinary shares of 1p each	3	3
Non-equity - 300,000 deferred shares of £1 each	300	300
	<u>303</u>	<u>303</u>
Issued and fully paid:		
Equity - 300,000 ordinary shares of 1p each	3	3
Non-equity - 300,000 deferred shares of £1 each	300	300
	<u>303</u>	<u>303</u>

Rights attaching to deferred shares

i) Dividend rights

The right to receive by way of dividend in respect of any year or other financial period of the Company in which the profits of the Company exceed £150,000,000, after payment in full of dividends on all other classes of shares of the Company, a dividend at the rate of one half the rate of dividend paid on the ordinary shares of the Company in respect of such period

ii) Voting rights

No right to receive notice of or to attend or vote at any general meeting of the Company except only in respect of a resolution varying the rights of such deferred shares

iii) Rights on winding up

No right to receive any payment out of the surplus assets of the Company remaining after paying its liabilities other than the amount paid up on these shares

iv) Redemption rights

There are no redemption rights held on these shares

20. Contingent liabilities

	2010 £'000	2009 £'000
Guarantees		
Guarantees in favour of the Rural Payments Agency	2,000	2,000
Broker Guarantees	3,500	3,500
	<u>5,500</u>	<u>5,500</u>

Guarantees are lodged with the Rural Payments Agency and the Irish Intervention Agency in order to ensure that certain EU obligations are complied with. Guarantees are required for applications for imports and exports licences, advance payment, intervention and set-aside schemes.

Guarantees remain in place until the trader provides proof that the obligations have been met. Guarantees may be forfeited if any obligations are not met, including those related to time limits. In the event of a valid forfeit, the Company is given 30 days to settle before the guarantor is required to pay.

Bank guarantees placed with brokers in order to avoid having to meet daily margin requirements.

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

21. Operating lease arrangements

The Group as lessee

	2010 £'000	2009 £'000
Minimum lease payments under operating leases recognised as an expense in the year	84	86

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2010 £'000	2009 £'000
Within one year	76	83
In the second to fifth years inclusive	47	107
After five years	-	-
	123	190

Operating lease payments represent rentals payable by the Group for its office property and car contract hire. The lease on the office property is negotiated for a term of 25 years and rentals are fixed for five years.

22. Retirement benefit schemes

Defined benefit schemes

The Group operates a defined benefit scheme for qualifying employees of Glencore Grain UK Limited. Under the scheme, the employees are entitled to a retirement pension of 1/60th of final salary for each year of pensionable service on retirement at age 60. No other post-retirement benefits are provided. The scheme is a funded scheme.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2009 by Mr Andrew Twells, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	2010 %	Valuation at	
		2009 %	2008 %
Key assumptions used			
Discount rate	5.4%	5.8%	6.2%
Expected return on scheme assets	7.1%	6.9%	7.5%
Expected rate of salary increases	5.3%	5.3%	5.0%
Future LPI (5% capped) pension increases	3.0%	3.0%	3.0%

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

22. Retirement benefit schemes (continued)

Amounts recognised in income in respect of these defined benefit schemes are as follows

	2010 £'000	2009 £'000	2008 £'000
Current service cost	309	194	286
Interest cost	580	494	475
Expected return on scheme assets	(531)	(381)	(523)
Net actuarial losses recognised in year	57	112	-
Amortisation of transitional liability	-	-	72
	<u>415</u>	<u>419</u>	<u>310</u>

The actual return on scheme assets was £1,012,000 (2009 £2,016,000)

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows

	2010 £'000	2009 £'000	2008 £'000
Present value of defined benefit obligations	10,851	9,856	7,837
Fair value of scheme assets	(9,146)	(7,291)	(5,003)
Deficit in scheme	1,705	2,565	2,834
Unrecognised transitional obligation and unrecognised cost	(1,722)	(2,168)	(2,649)
(Asset)/Liability recognised in the balance sheet	<u>(17)</u>	<u>397</u>	<u>185</u>

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

22. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations were as follows

	2010 £'000	2009 £'000
At 1 January	(9,856)	(7,837)
Service cost	(309)	(194)
Interest cost	(580)	(494)
Contributions from scheme members	(110)	(100)
Actuarial gains and losses	(92)	(1,266)
Benefits paid	96	35
At 31 December	<u>(10,851)</u>	<u>(9,856)</u>

Movements in the fair value of scheme assets were as follows

	2010 £'000	2009 £'000
At 1 January	7,291	5,003
Expected return on scheme assets	531	381
Actuarial gains and losses	481	1,635
Contributions from the sponsoring companies	829	207
Contributions from scheme members	110	100
Benefits paid	(96)	(35)
At 31 December	<u>9,146</u>	<u>7,291</u>

The analysis of the scheme assets and the expected rate of return at the balance sheet date was as follows

	Expected return		Fair value of assets	
	2010 %	2009 %	2010 £'000	2009 £'000
Equity instruments	8.0%	8.0%	8,033	6,216
Other assets	0.5%	0.5%	1,113	1,075
	<u>7.1%</u>	<u>6.9%</u>	<u>9,146</u>	<u>7,291</u>

The expected return on assets assumption is a weighted average return of 0.5% for the other assets held and 8.0% for the long-term equity return

Glencore Grain UK Limited

Notes to the accounts Year ended 31 December 2010

22. Retirement benefit schemes (continued)

The five-year history of experience adjustments is as follows

	2010 %	2009 %	2008 %	2007 £'000	2006 £'000
Present value of defined benefit obligations	(10,851)	(9,856)	(7,837)	(8,340)	(7,674)
Fair value of scheme assets	9,146	7,291	5,003	7,346	6,616
Deficit in the scheme	(1,705)	(2,565)	(2,834)	(994)	(1,058)
Experience adjustments on scheme liabilities					
Amount (£)	(92)	(1,266)	1,295	39	(193)
Percentage of scheme liabilities (%)	0.9%	12.8%	16.5%	0.5%	3.0%
Experience adjustments on scheme assets					
Amount (£)	481	1,635	(3,122)	(396)	532
Percentage of scheme liabilities (%)	5.3%	16.6%	38.0%	(5.0%)	7.0%

23. Events after the balance sheet date

There is a potential claim against the company regarding a dispute about contract terms. The maximum exposure would be £100k.

24. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other Group companies are disclosed below.

Trading transactions

During the year, Group companies entered into the following transactions with other Group companies which are related parties:

	Sale of goods		Purchase of goods		Amounts owed by related parties		Amounts owed to related parties	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Glencore Polska Sp ZOO	-	-	-	-	-	-	-	-
Glencore Grain BV	28,335	17,116	3,653	1,212	-	1,884	43,230	-
Glencore Espana SA	2,198	11,886	1,057	1,281	-	-	-	11
Asteri	-	-	-	-	-	-	595	595
Glencore Cereales France SAS	1,568	-	-	-	-	-	1	-
Glencore UK Limited	-	-	-	-	-	1,361	-	-
	<u>32,101</u>	<u>29,002</u>	<u>4,710</u>	<u>2,493</u>	<u>-</u>	<u>3,245</u>	<u>43,826</u>	<u>606</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Glencore Grain UK Limited

Notes to the accounts

Year ended 31 December 2010

Loan to a Director

During the year, the Company has made a loan of £350,000 to a Director at 1% above HSBC Base Rate, repayable at a date to be agreed during 2011. No repayments had been made at 31 December 2011.

25. Ultimate parent Company and controlling party

The ultimate parent Company and controlling party is Glencore International AG, a Company incorporated in Switzerland.