

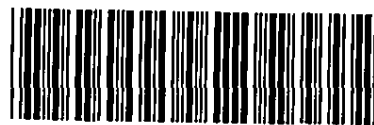
Registration number 1008779

Louis Dreyfus Trading Limited

Directors' report and financial statements

for the year ended 31 December 2007

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Louis Dreyfus Trading Limited

Company information

Directors	P H Akroyd R J Allen N Mamalis I S McIntosh
Secretary	A M Payne
Company number	1008779
Registered Office	Willow Cottage Lambden Road Pluckley Ashford Kent TN27 0RB
Auditors	Constantin Aldwych House 81 Aldwych London WC2B 4HN

Louis Dreyfus Trading Limited

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Statement of recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 18

Louis Dreyfus Trading Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activity and review of the business

The company, which is part of an integrated worldwide commodity trading group, is in the process of winding down its operations

Results and dividends

The results for the year are set out on pages 5 - 6

The directors have paid an interim dividend amounting to \$20,000,000 and they do not recommend payment of a final dividend (2006 - US\$nil)

Branch outside the United Kingdom

The company operates a branch office in Geneva, which is in the process of winding down its operations

Fixed assets

The changes to tangible fixed assets and investments are summarised in notes 10 and 11

Directors

The directors who served during the year are as stated below

P H Akroyd
R J Allen
J Barritt (Resigned 29 June 2007)
N Mamalis
I S McIntosh

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

Directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Louis Dreyfus Trading Limited

**Directors' report
for the year ended 31 December 2007**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

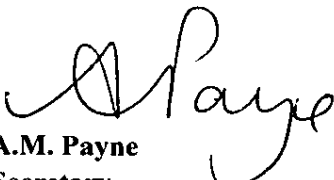
In the case of each of the persons who are directors at the time when the report is approved

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Constantin be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on September 17th, 2008 and signed on its behalf by


A.M. Payne
Secretary

Louis Dreyfus Trading Limited

Independent auditors' report to the shareholders of Louis Dreyfus Trading Limited

We have audited the financial statements of Louis Dreyfus Trading Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet 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 made solely to 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International 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 financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Louis Dreyfus Trading Limited

Independent auditors' report to the shareholders of Louis Dreyfus Trading Limited continued

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 company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Constantin
Registered auditors

Date 30 September 2008.

Aldwych House
81 Aldwych
London
WC2B 4HN

Louis Dreyfus Trading Limited

**Profit and loss account
for the year ended 31 December 2007**

	Notes	2007 \$000	2006 \$000
Turnover		54,175	1,143,029
Cost of sales		(42,677)	(1,016,363)
Gross profit		<u>11,498</u>	<u>126,666</u>
Exceptional item	2	-	(10,000)
Administrative expenses		(18,424)	(53,142)
Intercompany loan write-off		-	1,003
Other operating income		1550	340
Operating (loss)/profit	2	<u>(5,376)</u>	<u>64,867</u>
Cost of fundamental reorganisation	3	-	(4,560)
Other interest receivable and similar income	4	12,992	16,609
Amount written off investments	5	-	(389)
Interest payable and similar charges	6	(7,100)	(43,493)
Dividends	8	6,744	-
Profit on ordinary activities before taxation		<u>7,260</u>	<u>33,034</u>
Tax on profit on ordinary activities	9	(4,144)	(15,930)
Profit on ordinary activities after taxation		<u>3,116</u>	<u>17,104</u>

The notes on pages 8 to 18 form an integral part of these financial statements

Louis Dreyfus Trading Limited

Statement of total recognised gains and losses

	2007	2006
	\$000	\$000
Profit on ordinary activities after taxation	3,116	17,104
Deferred tax on actuarial gain	-	(432)
Actuarial gain recognised in the pension scheme	-	1,438
Total recognised gains relating to the year	<u>3,116</u>	<u>18,110</u>

The notes on pages 8 to 18 form an integral part of these financial statements

Louis Dreyfus Trading Limited

**Balance sheet
as at 31 December 2007**

		2007		2006	
	Notes	\$'000	\$'000	\$'000	\$'000
Fixed assets					
Tangible assets	10	-			115
Investments	11		31,681		31,440
			<u>31,681</u>		<u>31,555</u>
Current assets					
Stocks	12	-		196	
Debtors	13	296,086		449,065	
Cash at bank and in hand		3,913		1,361	
		<u>299,999</u>		<u>450,622</u>	
Creditors: amounts falling due within one year	14	(262,629)		(379,208)	
Net current assets			37,370		71,414
Total assets less current liabilities			<u>69,051</u>		<u>102,969</u>
Provisions for liabilities and charges	15		-		(11,015)
Net assets excluding pension liability			<u>69,051</u>		<u>91,954</u>
Pension fund deficit			-		(6,019)
Net assets			<u>69,051</u>		<u>85,935</u>
Capital and reserves					
Called up share capital	16		67,800		67,800
Profit and loss account			1,251		18,135
Shareholders' funds	17		<u>69,051</u>		<u>85,935</u>

The financial statements were approved by the Board on September 17th, 2008 and signed on its behalf by



Nigel Mamalis
Director

The notes on pages 8 to 18 form an integral part of these financial statements

Louis Dreyfus Trading Limited

Notes to the financial statements for the year ended 31 December 2007

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards, except as noted in paragraph 1.7 below

The financial statements are prepared in US\$, as this is the main operating currency of the company

1.2. Turnover

Turnover represents the amount receivable for the goods and services supplied to customers on completion of a contract in respect of commodity trading, excluding value added tax. The nature of commodity trading is such that it is not possible to establish the geographical split of turnover by destination

1.3. Forward contracts

Forward purchases and sales of commodities are valued at either quoted market prices or, if unavailable, directors' valuation at the Balance Sheet date, and any profit or loss is recognised in the Profit and Loss Account

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Short leasehold property - Straight line over the life of the lease

Freehold land is not depreciated

1.5. Leasing

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

1.6. Investments

Fixed asset investments are stated at cost less provision for impairment

1.7. Stock

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

1.8. Pensions

The cost of pension contributions is charged to the Profit and Loss Account as explained in Note 18

Louis Dreyfus Trading Limited

Notes to the financial statements for the year ended 31 December 2007

1.9. 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 the 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.

1.10. Foreign currencies

Transactions in currencies other than US\$ are translated at the exchange rate prevailing at the date of transaction or if appropriate at a forward contract rate. Monetary assets and liabilities denominated in foreign currencies are translated into US\$ at the rates of exchange prevailing at the Balance Sheet date. All differences are taken to the Profit and Loss Account.

1.11. Consolidation

The financial statements contain information about Louis Dreyfus Trading Limited as an individual company. In accordance with the provisions of Financial Reporting Standard No 2 and Companies Act 1985 Section 228(2) and Section 228(1)(b), the company has taken advantage of the exemption available to it from the requirement to prepare consolidated financial statements, on the grounds that it is included in the consolidated financial statements of Louis Dreyfus SAS, incorporated in France.

1.12. Related party transactions

In accordance with Financial Reporting Standard No 8, 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.

1.13. 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.

2. Operating profit

	2007	2006
	\$000	\$000
Operating (loss)/profit is stated after charging/(crediting)		
Depreciation and other amounts written off tangible assets	115	648
Exchange differences	(2,270)	(15,415)
Operating lease rentals		
- Land and buildings	1,471	1,401
Auditors' remuneration	156	444
	<hr/>	<hr/>
Exceptional item	-	10,000
	<hr/>	<hr/>

Louis Dreyfus Trading Limited

Notes to the financial statements for the year ended 31 December 2007

Exceptional item

The company operates a defined benefit scheme for pension fund members. It has been increasingly difficult for such schemes to remain financially sustainable, and in 2006 the company considered the options open to it, seeking a financially viable solution consistent with the interests of members. Arising from discussions with the pension fund trustees, the company appointed experts to calculate a range of estimated costs for the company associated with the potential options. In 2006, the company made a commitment to the trustees to make an offer to members and a provision for the best estimate of the associated costs (being \$10m) was accordingly made in the accounts for the year ended 31 December 2006.

This pension fund liability has subsequently been legally transferred to a group company, Louis Dreyfus Commodities Suisse SA. See note 18 (Pension) for details.

3. Cost of fundamental reorganisation

	2007	2006
	\$000	\$000
Redundancy costs	-	1,922
Property costs	-	1,323
Other restructuring costs	-	720
Fixed assets written off	-	595
	<u>-</u>	<u>4,560</u>

4. Interest receivable and similar income

	2007	2006
	\$000	\$000
Bank interest	8	110
Group interest	11,592	12,693
Other interest	1392	3,806
	<u>12,992</u>	<u>16,609</u>

5. Amounts written off investments

	2007	2006
	\$000	\$000
Amounts written off current asset investments	<u>-</u>	<u>389</u>

Louis Dreyfus Trading Limited

**Notes to the financial statements
for the year ended 31 December 2007**

6. Interest payable and similar charges

	2007	2006
	\$000	\$000
Included in this category is the following		
On amounts payable to group companies	5,518	18,717
On loans and overdrafts	1,582	24,776
	<u>7,100</u>	<u>43,493</u>

7. Employees

	2007	2006
Number of employees		
The average monthly number of employees (including the directors) during the year was	<u>10</u>	<u>69</u>

	2007	2006
	\$000	\$000
Employment costs		
Wages and salaries	6,406	29,887
Social security costs	231	2,023
Other pension costs	814	7,304
	<u>7,451</u>	<u>39,214</u>

7.1. Directors' emoluments

	2007	2006
	\$000	\$000
Remuneration and other emoluments	218	1,208
Compensation for loss of office	286	-
	<u>504</u>	<u>1,208</u>

Number of directors to whom retirement benefits are accruing under a defined benefit scheme	<u>-</u>	<u>4</u>
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	\$000	\$000
Highest paid director		
Amounts included above		
Emoluments and other benefits	496	421
	<u>496</u>	<u>421</u>

Louis Dreyfus Trading Limited

**Notes to the financial statements
for the year ended 31 December 2007**

8. Dividends

	2007	2006
	\$000	\$000
Kings Lynn Silos Ltd	811	-
International Trading Services (UK) Company Ltd	5,858	-
Baltic Exchange	75	-
	<u>6,744</u>	<u>-</u>

Louis Dreyfus Trading Limited

Notes to the financial statements for the year ended 31 December 2007

9 Tax on profit on ordinary activities

Analysis of charge in period	2007 \$'000	2006 \$'000
Current tax		
UK corporation tax	(2,217)	17,489
Adjustments in respect of previous periods	252	(405)
	<u>(1,965)</u>	<u>17,084</u>
Overseas tax	225	1,635
Total current tax (credit)/charge	<u>(1,740)</u>	<u>18,719</u>
Deferred tax		
Timing differences, origination and reversal	5,884	(2,789)
Tax on profit on ordinary activities	<u>4,144</u>	<u>15,930</u>

Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30 per cent)
The differences are explained below

	2007 \$'000	2006 \$'000
Profit on ordinary activities before taxation	7,260	33,034
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2006 - 30%)	2,178	9,910
Effects of:		
Expenses not deductible for tax purposes	917	495
Allowable depreciation	-	(47)
UK dividend income	(2,023)	(9)
Use of capital losses	(113)	-
Timing differences	(2,985)	8,149
Adjustments to tax charge in respect of previous periods	252	(405)
Tax adjustments	-	618
Depreciation on non-qualifying assets	34	114
Deferred tax not provided (current year)	-	195
Loan relationship credit	-	(301)
Current tax (credit)/charge for period	<u>(1,740)</u>	<u>18,719</u>

Factors that may affect future tax charges

Potential deferred tax assets of US\$313,000 (2006 - US\$758,000) relating to accelerated capital allowances and short term timing differences have not been recognised on the grounds that they are not deemed recoverable under Financial Reporting Standard No 19

Louis Dreyfus Trading Limited

**Notes to the financial statements
for the year ended 31 December 2007**

10. Tangible fixed assets	Short leasehold property \$'000
Cost	
At 1 January 2007	426
Disposals	(426)
At 31 December 2007	<u>-</u>
Depreciation	
At 1 January 2007	311
On disposals	(426)
Charge for the year	115
At 31 December 2007	<u>-</u>
Net book values	
At 31 December 2007	<u>-</u>
At 31 December 2006	<u>115</u>

11. Fixed asset investments	Shares in subsidiary undertakings \$'000	Shares in significant holdings \$'000	Other unlisted investments \$'000	Total \$'000
Cost				
At 1 January 2007	50,616	51	641	51,308
Additions	-	-	241	241
At 31 December 2007	<u>50,616</u>	<u>51</u>	<u>882</u>	<u>51,549</u>
Provisions for diminution in value:				
At 1 January 2007	19,868	-	-	19,868
Movement	-	-	-	-
At 31 December 2007	<u>19,868</u>	<u>-</u>	<u>-</u>	<u>19,868</u>
Net book values				
At 31 December 2007	<u>30,748</u>	<u>51</u>	<u>882</u>	<u>31,681</u>
At 31 December 2006	<u>30,748</u>	<u>51</u>	<u>641</u>	<u>31,440</u>

Louis Dreyfus Trading Limited

Notes to the financial statements for the year ended 31 December 2007

11.1 Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Class of shares held	Proportion of shares held
Subsidiary undertakings			
International Trading Services (UK) Company Ltd	United Kingdom	Ordinary shares	100%
L D S (Commodities) Ltd	Israel	Ordinary shares	100%
Louis Dreyfus Cote d'Ivoire SA	Ivory Coast	Ordinary shares	100%
Louis Dreyfus Services Ltd	United Kingdom	Ordinary shares	100%
Louis Dreyfus Commodities & Finance Ltd	United Kingdom	Ordinary shares	100%
Significant interests			
Kings Lynn Silos Ltd	United Kingdom	Convertible preferred	33%
		Ordinary shares	33%

The significant holdings have not been treated as associated undertakings as the company participates in the financial and operating policy of the holdings, but does not exercise a significant influence over those policies

12. Stocks

	2007 \$000	2006 \$000
Traded commodity stocks	-	196

13. Debtors

	2007 \$000	2006 \$000
Trade debtors	6,929	25,296
Amounts owed by group undertakings	279,928	418,917
Other debtors	8,804	1,100
Prepayments and accrued income	425	447
Deferred tax	-	3,305
	<u>296,086</u>	<u>449,065</u>

Louis Dreyfus Trading Limited

**Notes to the financial statements
for the year ended 31 December 2007**

14. Creditors: amounts falling due within one year

	2007	2006
	\$000	\$000
Bank loans and overdrafts	-	15,457
Trade creditors	-	15,792
Amounts owed to group undertakings	260,095	314,027
Corporation tax	106	8,193
Other taxes and social security costs	28	221
Other creditors	1,808	1,847
Accruals and deferred income	592	23,671
	<u>262,629</u>	<u>379,208</u>

15. Provisions for liabilities and charges

	2007	2006
	\$000	\$000
At 1 January 2007	11,015	-
(Reversal)/charge for the year	<u>(11,015)</u>	<u>11,015</u>
At 31 December 2007	<u>-</u>	<u>11,015</u>

16. Share capital

	2007	2006
	\$'000	\$'000
Authorised		
100,000,000 Ordinary shares of \$1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
67,800,000 Ordinary shares of \$1 each	<u>67,800</u>	<u>67,800</u>

17. Reconciliation of movements in shareholders' funds

	2007	2006
	\$000	\$000
Profit for the year	3,116	17,104
Actuarial gain on pension scheme	-	1,006
Net addition to shareholders' funds	<u>3,116</u>	<u>18,110</u>
Opening shareholders' funds	85,935	67,825
Dividend	<u>(20,000)</u>	<u>-</u>
Closing shareholders' funds	<u>69,051</u>	<u>85,935</u>

Louis Dreyfus Trading Limited

Notes to the financial statements for the year ended 31 December 2007

18. Pension

The company operates a defined benefit pension scheme (the "Scheme") As a result of the circumstances discussed in Note 2, Louis Dreyfus & Co Limited and Louis Dreyfus Trading Limited have assigned their liabilities as principal and participating employer under the Louis Dreyfus & Co Limited Pension Fund (the "Scheme") to Louis Dreyfus Commodities Suisse SA, a group company incorporated in Switzerland for consideration of \$10m This commercial agreement did not require the agreement of the Trustees of the Scheme because Louis Dreyfus & Co Limited and Louis Dreyfus Trading Limited are still the principal and participating employer under the Scheme and retain their liabilities under the trust deed and rules However, those liabilities will in practice be met by Louis Dreyfus Commodities Suisse SA by way of an assignment and indemnity under the agreement

The legal agreement transferring the pension fund liabilities to Louis Dreyfus Commodities Suisse SA was formally signed in 2008, however since the Trustees were made aware in 2007 that agreement had been reached between the parties that the transfer of liabilities would take place, the transfer of the pension fund liability was accounted for in the company's books in 2007 as Louis Dreyfus Commodities Suisse SA assumed a constructive obligation to fund the Scheme during 2007

19. Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	\$000	\$000
Expiry date:		
Within one year	1,771	3,459
Between one and five years	7,084	13,835
In over five years	1,328	3,459
	<u>10,183</u>	<u>20,753</u>

20. Capital commitments

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

21. Contingent liabilities

The company has guaranteed letters of credit amounting to \$800,000 (2006 \$nil)

Louis Dreyfus Trading Limited

**Notes to the financial statements
for the year ended 31 December 2007**

22. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking and controlling party is Louis Dreyfus S A S , a company incorporated in France

23. Group accounts

The largest and smallest groups for which group accounts are prepared, and of which the company is a member, are

	<u>Largest</u>	<u>Smallest</u>
Name	Louis Dreyfus S.A.S.	Louis Dreyfus Holding Netherlands B.V.
Country of incorporation	France	Netherlands
Address from where copies of consolidated financial statements can be obtained	152 Avenue de Malakoff 75016 Paris	Westblaak 92 3012 KM Rotterdam