Cargill Financial Markets PLC

Directors' Report And Financial Statements

Year ended 31 May 2011

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COMPANIES HOUSE

Registered number
02496185

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COMPANY INFORMATION

Directors	R Ward (resigned 3 February 2011) C Van Eeckhout (appointed 3 February 2011) R D Thurston
Company secretary	R D Thurston
Registered office	Knowle Hill Park Fairmile Lane Cobham Surrey KT11 2PD
Auditor	KPMG Audit Plc 15 Canada Square London E14 5GL
Company number	02496185

DIRECTORS' REPORT
for the year ended 31 May 2011

The directors present their report and the financial statements for the year ended 31 May 2011

Principal activities and Business Review

The Company's principal activity continues to be the proprietary trading of distressed assets, including fixed income and equity securities and related financial instruments There has been no significant change in the Company's principal activities compared to previous years

The Company operates as part of a larger group, and its risk is managed in the context of this wider group The Company's business continues to be in run-off and it has ceased to make new investments to expand its portfolio The Company continues to have significant intercompany loans with its subsidiaries, some denominated in foreign currency As such, the principal uncertainties facing the Company are the valuation of securities, exposure to foreign currency, and non-performance by trading counterparties

The Company manages valuation risk through a policy which stipulates a series of controls and measures and ensures that positions are accurately marked where prices are not readily available from independent sources Foreign currency risk is managed through a group approach whereby foreign exposure is hedged using a combination of forward FX transactions and outright FX trades Hedge accounting has not been applied Credit risk is mitigated through robust credit approval processes, and the intra-company nature of the majority of creditors currently

Results and dividends

The profit for the year, after taxation, amounted to $10,938,000 (2010 $8,458,000) Due to the Company's principal activities and the nature of its operations, the directors do not separately monitor key performance indicators for the Company, as there are no such appropriate key performance indicators

The directors do not recommend the payment of a dividend (2010 $nil)

Directors

The directors who served during the year were

R Ward (resigned 3 February 2011)
C Van Eeckhout (appointed 3 February 2011)
R D Thurston

None of the directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

DIRECTORS' REPORT
for the year ended 31 May 2011

Political and charitable contributions

The company made no political contributions during the year (2010 $nil)

Policy and practice on payment of creditors

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

The Company had no purchases outstanding at 31 May 2011 (2010 $nil)

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, KPMG Audit Plc, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006

This report was approved by the board on 26th JANUARY 2012 and signed on its behalf

C Van Eeckhout
Director

Cargill Financial Markets Plc
Knowle Hill Park
Fairmile Lane
Cobham
Surrey
KT11 2PD

Registered number 02496185

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANACIAL STATEMENTS
for the year ended 31 May 2011

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARGILL FINANCIAL MARKETS PLC

We have audited the financial statements of Cargill Financial Markets PLC for the year ended 31 May 2011, set out on pages 6 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 (APB's) ethical standards for auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

G R Simpson (Senior statutory auditor)
for and on behalf of KPMG Audit PLC, Statutory auditor
Chartered Accountants
London
Date 27 January 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2011

	Note	2011 $000	2010 $000
NET TRADING INCOME/(EXPENSE)	2	20,836	(1,133)
Foreign exchange (losses)/gains		(4,701)	7,198
Administrative expenses		(848)	(476)
Other operating income		17	(20)
OPERATING PROFIT	3	15,304	5,569
Interest receivable and similar income		7,073	57,039
Amounts written off investments		(4,254)	(39,409)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18,123	23,199
Tax on profit on ordinary activities	6	(7,185)	(14,741)
PROFIT FOR THE FINANCIAL YEAR		10,938	8,458

All amounts relate to continuing operations

With the exception of financial instruments, accounted for under FRS 26, there are no material differences between the results as reported and the results that would have been reported on a historical cost basis Accordingly no note of historical cost profit and losses has been prepared

There were no recognised gains and losses for 2011 and 2010 other than those included in the profit and loss account Consequently no statement of recognised gains or losses has been prepared

The notes on pages 8 to 20 form part of these financial statements

BALANCE SHEET
as at 31 May 2011

	Note	$000	2011 $000	$000	2010 $000
FIXED ASSETS					
Investments	7		-		-
CURRENT ASSETS					
Debtors	8	705,997		607,026	
Investments	10	42,976		45,914	
Cash at bank		536,634		553,421	
		1 285,607		1,206,361	
CREDITORS. amounts falling due within one year	11	(646,980)		(578,672)	
NET CURRENT ASSETS			638,627		627,689
TOTAL ASSETS LESS CURRENT LIABILITIES			638,627		627,689
CAPITAL AND RESERVES					
Called up share capital	12		107,325		107,325
Profit and loss account	13		531,302		520,364
SHAREHOLDERS' FUNDS	14		638,627		627,689

The notes on pages 8 to 20 form part of these financial statements

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

C Van Eeckhout
Director

Registered number 02496185

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

1 ACCOUNTING POLICIES

1 1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include the revaluation of financial assets carried at fair value to the proift and loss, and in accordance with applicable accounting standards

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is wholly owned subsidiary of Cargill, Inc , the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Cargill, Inc , within which the Company is included, are available to the public

Turnover, cost of sales and gross profit do not have any meaningful equivalent in a financial markets business and are therefore not included

Trading income comprises the net profit arising from positions held in securities carried at fair value, net interest and net dividends earned by those securities after charging funding costs

The directors consider that the functional currency of the Company is the US dollar The financial statements have therefore been prepared in that currency

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 These financial statements therefore present information about the company as an individual undertaking and not about its group

1.2 Valuation of current asset investments

Current asset investments are accounted for on a trade date basis and are valued at fair value being the market price ruling at the balance sheet date, resultant profits or losses are taken to the profit and loss account Where independent prices are not available, market values may be determined by discounting the expected future cash flows using an appropriate interest rate adjusted for the credit risk of the counterparty In addition, adjustments are made for illiquid positions where appropriate, on investments where there is no market price

1.3 Fixed asset investments

Investments in subsidiary undertakings are carried at cost less impairment

1.4 Interest income and expense

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

1 5 Other operating expense

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

1 **ACCOUNTING POLICIES (continued)**

1 6 Foreign currencies

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

1.7 Taxation

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 A deferred tax asset is recognised to the extent it is regarded as recoverable

1 8 Deferred compensation

Performance related compensation, including that deferred, is accrued in respect of the year of service to which it relates

1.9 Financial instrument classification

As required by FRS 26, financial instruments are classified by management so as to enable logical categorisation for measurement and recognition purposes and to ensure accurate balance sheet presentation

2 **NET TRADING INCOME**

	2011	**2010**
	$000	**$000**
Trading gains / (losses)	18,732	(1,651)
Interest income	2,107	568
Interest expense	(3)	(50)
Total	20,836	(1,133)

3 **OPERATING PROFIT**

The Company's Auditors were paid $56,461 (2010 $39,000) in respect of their audit of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

4. DIRECTORS' REMUNERATION

	2011 $000	2010 $000
Emoluments	44	103

Durıng the year retırement benefits were accruıng to 1 dırector (2010 1) ın respect of defined benefit pensıon schemes

No dırectors benefited from qualıfyıng thırd party ındemnıty provısıons

5 SEGMENTAL ANALYSIS

No segmental analysıs ıs provıded as the company has only one dıstınguıshable class of busıness and operates ın a market whıch ıs not lımıted by geographıcal bounds

6 TAXATION

	2011 $000	2010 $000
Analysis of tax charge ın the year		
Current tax (see note below)		
UK corporatıon tax charge on profit for the year at 27 67%	6,374	16,445
Adjustments ın respect of prıor perıods	809	(1,722)
Total current tax	7,183	14,723
Deferred tax (see note 9)		
Orıgınatıon and reversal of tımıng dıfferences	2	18
Tax on profit on ordinary actıvıtıes	7,185	14,741

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

6. **TAXATION (continued)**

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 27 67% (2010 28%) The differences are explained below

	2011 $000	2010 $000
Profit on ordinary activities before tax	18,123	23,199
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27 67% (2010 28%)	5,015	6,496
Effects of·		
Revaluation of tax liability due to foreign exchange differences	165	(243)
Capital allowances for year in excess of depreciation	(6)	-
Adjustments to tax charge in respect of prior periods	809	(1,722)
Transfer pricing adjustment	23	(842)
Provision for impairment and bad and doubtful debt	1,177	11,034
Current tax charge for the year (see note above)	7,183	14,723

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011 The rate reduced to 26% (effective from 1 April 2011) and will reduce to 25% (effective from 1 April 2012)

Deferred tax has been calculated based on the rate of 26% being the rate enacted at the balance sheet date

7 **FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies $000
Cost or valuation	
At 1 June 2010 and 31 May 2011	4,962
Impairment	
At 1 June 2010 and 31 May 2011	4,962
Net book value	
At 31 May 2011	-
At 31 May 2010	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

7 FIXED ASSET INVESTMENTS (continued)

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

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Cargill Finance Limited	UK	Ceased trading	100% ordinary
Endon Europe Power 5 Limited	UK	Investment company	100% ordinary
Endon Europe Power 4 Limited *	UK	Investment company	100% ordinary
Endon Europe Power 6 Limited *	UK	Investment company	100% ordinary
Endon Europe Power 3 Limited *	UK	Investment company	100% ordinary & 100% preference
Teeside Power Financing Limited *	Cayman Islands	Investment company	100% ordinary
Endon Europe Power 1 Limited *	UK	Investment company	100% ordinary & 100% preference
Teeside Power Holdings Limited *	UK	Investment company	100% ordinary
Magnolia Power Limited *	UK	Ceased trading	100% ordinary
TPL Investments Limited *	UK	Investment company	69 23% ordinary

* Held by subsidiary undertaking

8 DEBTORS

	2011 $000	2010 $000
Due after more than one year		
Deferred tax asset (see note 9)	98	100
Due within one year		
Trade debtors	423	684
Amounts owed by group undertakings	704,356	605,748
Other debtors	1,120	494
	705,997	607,026

9. DEFERRED TAX ASSET

	2011 $000	2010 $000
At beginning of year	100	118
Prior deferred tax assets released to profit and loss account	(2)	(18)
At end of year	98	100

The deferred tax asset is made up as follows

	2011 $000	2010 $000
Decelerated capital allowances	24	32
Withholding tax	74	68
	98	100

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

10 INVESTMENTS (HELD AS CURRENT ASSETS)

	2011 $000	2010 $000
Convertible bonds	540	462
Corporate bonds	16,929	21,247
Equity shares	1,472	3,646
Other corporate debt	24,035	20,559
Total	42,976	45,914

	2011 $000	2010 $000
Listed investments	489	294
Other investments	42,487	45,620
Total	42,976	45,914

At 31 May 2011 the market value of the listed investments was $489,000 (2010 $294,000)

11 CREDITORS

Amounts falling due within one year

	2011 $000	2010 $000
Amounts owed to group undertakings	640,078	566,994
Corporation tax	6,374	10,453
Accruals and deferred income	528	1,225
	646,980	578,672

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

12 SHARE CAPITAL

	2011 $000	2010 $000
Allotted, called up and fully paid		
107,305,000 Ordinary $ shares of $1 each	107,305	107,305
Allotted, called up and partly paid		
50,000 Ordinary £ shares of £1 each, 25 pence paid	20	20

13 RESERVES

	Profit and loss account $000
At 1 June 2010	520,364
Profit for the year	10,938
At 31 May 2011	531,302

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 $000	2010 $000
Opening shareholders' funds	627,689	619,231
Profit for the year	10,938	8,458
Closing shareholders' funds	638,627	627,689

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

15 FINANCIAL INSTRUMENTS

Classification of financial assets and liabilities as at 31 May 2011

Financial Assets 2011

	Fair value through profit and loss (trading) $000	Available for sale $000	Loans and receivables $000	Held to maturity $000	Total $000
Amounts owed by group undertakings	-	-	704,356	-	704,356
Trade debtors	-	-	423	-	423
Other debtors	-	-	1,120	-	1,120
Current asset investments	42,976	-	-	-	42,976
Total	42,976	-	705,899	-	748,875

Financial Liabilities 2011

	Fair value thorough profit and loss (trading) $000	Amortised cost $000	Total $000
Amounts owed to group undertakings	-	640,078	640,078

Classification of financial assets and liabilities at 31 May 2010

Financial Assets 2010

	Fair value through profit and loss (trading) $000	Available for sale $000	Loans and receivables $000	Held to maturity $000	Total $000
Amounts owed by group undertakings	-	-	605,748	-	605,748
Trade debtors	-	-	684	-	684
Other debtors	-	-	494	-	494
Current asset investments	45,914	-	-	-	45,914
Total	45,914	-	606,926	-	652,840

Financial Liabilities 2010

	Fair value thorough profit and loss (trading) $000	Amortised cost $000	Total $000
Amounts owed to group undertakings	-	566,994	566,994

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

The fair value of financial instruments not measured at fair value are as follows

Assets

	2011 Book value $000	2011 Fair value $000	2010 Book value $000	2010 Fair value $000
Trade debtors	423	423	684	684
Amounts owed by group undertakings	704,356	704,356	605,748	605,748
Other debtors	1,120	1,120	494	494
Total	705,899	705,899	606,926	606,926

Liabilities

	2011 Book value $000	2011 Fair value $000	2010 Book value $000	2010 Fair value $000
Amounts owed to group undertakings	640,078	640,078	566,994	566,994

Basis for determining fair value
Current asset investments
The fair value of financial assets at fair value through profit loss and available for sale financial assets is determined by the use of a notional bucketing method

All current asset investments are placed in either bucket 1, bucket 2, or bucket 3 depending on their specific nature
Bucket 1 - investments actively quoted and traded on open market
Bucket 2 - less frequently traded investments, prices can be sought from external sources
Bucket 3 - investments specific in structure/type, not actively traded or quoted on open markets

Fair value is calculated for each notional bucket as follows,
Bucket 1 - investments are valued based on recent bid prices on active open markets
Bucket 2 - valuation techniques are applied using broker price quotes as the primary input
Bucket 3 - valuation techniques are applied e g cash flow modelling, third party legal confirmations The valuation of Bucket 3 is based on a number of factors, examples of factors affecting the fair value in future include the outcome of litigation claims and the progress of liquidation proceedings Based on our valuation there is a range of potential outcomes for several positions, which could affect the market value by an estimated range of $(1,311,000) decrease and $19,396,000 increase in asset value
Positions totalling a market value of $1,423,224 were transferred from Bucket 1 to Bucket 2 during the year, on the basis that the broker quote obtained from Bloomberg was deemed to be a solicited broker quote, and not a public quote There were no other transfers between buckets

The fair value of each notional bucket, included within current asset investments, was

		Book value 2011 $000	Book value 2010 $000
	Bucket 1	1,472	2,142
	Bucket 2	1,599	3,056
	Bucket 3	39,905	40,716
Total		42,976	45,914

Trade and other receivables
The fair value of the trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date

Non-derivative financial liabilities
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date

Interest rates used to determine fair value
The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an adequate constant credit spread, and were as follows

	2011	2010
Loans and borrowings	3% - 5%	3% - 5%

16. CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure
As at year end the maximum credit exposure was

		Book value 2011 $000	Book value 2010 $000
Trade debtors		423	684
Amounts owed by group undertakings		704,356	605,748
Other debtors		1,120	494
Current asset investments			
	Bucket 1	1,472	2,142
	Bucket 2	1,599	3,056
	Bucket 3	39,905	40,716
Total		748,875	652,840

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

Impairment losses

The ageing of trade debtors at the reporting date was

	2011 Gross $000	2011 Impairment $000	2010 Gross $000	2010 Impairment $000
Not past due	-	-	-	-
Less than one year past due	-	-	-	-
More than one year past due	709	(286)	928	(244)
Total	709	(286)	928	(244)

All the following are intercompany receivables that were payable on demand at the reporting date

	2011 Gross $000	2011 Impairment $000	2010 Gross $000	2010 Impairment $000
Teesside Power Finance Ltd	5	-	2	-
Endon Europe Power 1	3,047	-	2,677	-
Endon Europe Power 3	636,061	-	560,545	-
Endon Europe Power 5	1,006	(1,006)	883	(883)
Endon Europe Power 6	175,475	(110,278)	148,585	(106,147)
Other related parties	46	-	87	-
Total	815,640	(111,284)	712,779	(107,030)

In assessing the recoverability of intercompany receivables from the Company's subsidiary undertakings, the ability of the Company to control the timing and nature of cash flows and the benefit of subsidiaries has been taken into consideration

The movement in the allowance for impairment is respect of receivables during the year was as follows

	2011 Intercompany receivables $000	2011 Trade debtors $000	2010 Intercompany receivables $000	2010 Trade debtors $000
Balance at 1st June	(107,030)	(244)	(67,621)	(89)
Impairment loss	(4,254)	(42)	(39,409)	(155)
Balance at 31st May	(111,284)	(286)	(107,030)	(244)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

17 LIQUIDITY RISK

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements

	On demand $000	up to 6 months $000	6-12 months $000	1-5 years $000	> 5 years $000	TOTAL $000
2011						
Amounts owed to group undertakings	640,078	-	-	-	-	640,078

	On demand $000	up to 6 months $000	6-12 months $000	1-5 years $000	> 5 years $000	TOTAL $000
2010						
Amounts owed to group undertakings	566,994	-	-	-	-	566,994

18 MARKET RISK

Currency risk
A 10% strengthening of the US dollar against the following currencies at 31 May 2011 would have increased (decreased) equity and profit and loss by the amounts shown below The analysis assumes that all other variables remain constant

	2011 Equity $000	2011 Profit or (loss) $000	2010 Equity $000	2010 Profit or (loss) $000
GBP Sterling	16,241	16,241	7,410	7,410
Euro	670	670	(1,851)	(1,851)
Swiss franc	15	15	6	6
Danish Krone	144	144	(159)	(159)

A 10% weakening of the US dollar against the above currencies at 31 May 2011 would have had an equal but opposite effect on equity and profit and loss, assuming all other variables remain constant

The Company has redenominated USD intercompany loans into GBP that are now hedged in the context of the group exposure

Price risk
The Company is not directly exposed to any specific risk Only general 'systemic' market risk applies to this business

Interest rate risk
As at 31 May 2011 the company is not exposed to any significant interest rate risk, as it matches assets and liabilities where possible.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2011

19 CONTINGENT LIABILITIES

In 2010, one of the Company's subsidiaries received notification of a potential material warranty claim against it totalling $119,343,000 in relation to the sale of its interest in Teesside Power Limited The parent company, Cargill, Inc, had previously granted a guarantee to that subsidiary in respect of such claims To date there is insufficient available information to enable the Directors to form a view as to the likelihood or potential quantum, if any, of a liability arising from this claim Accordingly no provision has been made in these financial statements Cargill, Inc has made provision for the associated litigation costs as guarantor, these total £1 6m as of 31 May 2011

20. OTHER FINANCIAL COMMITMENTS

(a) As at 31 May 2011, the Company had entered in the normal course of its business into forward contracts for the purchase and sale of foreign currencies and securities

(b) As at 31 May 2011, the Company has no commitments under non-cancellable operating leases

(c) The Company had no capital commitments at the end of the financial year for which no provision has been made (2010 $Nil)

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

21 ULTIMATE HOLDING COMPANY

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

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