

**Cargill Financial Markets Limited (formerly known as Cargill
Financial Markets Plc)**

Directors' Report And Financial Statements

Year ended 31 May 2013

Rees Pollock
Chartered Accountants

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COMPANY INFORMATION

Directors	R D Thurston A I Chohan
Company secretary	R D Thurston
Registered office	Knowle Hill Park Fairmile Lane Cobham Surrey KT11 2PD
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Registered number	02496185

DIRECTORS' REPORT
For the year ended 31 May 2013

The directors present their report and the financial statements for the year ended 31 May 2013. As of 19 June 2013 the company re-registered as a private limited company.

Principal activities

By the end of the year the company had disposed of its securities to a related party and is no longer undertaking proprietary trading of financial instruments. The principal activity now focuses on its ownership of the shares of Endon Europe Power 5 Limited and its subsidiaries.

Business review

The company operates as part of a larger group and its risk is managed in the context of this wider group. The company continues to have significant intra-group receivables and payables some of which are denominated in non-functional currency. As such, the company is exposed to foreign currency risk. Foreign currency risk is managed through a group approach whereby it is hedged using a combination of forward FX transactions and outright FX trades. Hedge accounting has not been applied.

Results and dividends

The loss for the year, after taxation, amounted to \$57,242,000 (2012 - profit \$7,284,000).

The directors do not recommend the payment of a dividend (2012 \$nil).

Key performance indicators

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.

Directors

The directors who served during the year were

R D Thurston
A I Chohan

Political and charitable contributions

The company made no political contributions during the year (2012 \$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 2013 (2012 \$nil).

DIRECTORS' REPORT
For the year ended 31 May 2013

Statement of directors' responsibilities

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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,
- 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 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.

Provision of information to auditors

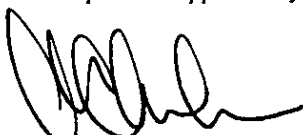
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

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

Auditors

The auditors, Rees Pollock, have expressed their willingness to continue in office.

This report was approved by the board on 6 November 2013 and signed on its behalf



A I Chohan
Director



REES POLLOCK

Chartered Accountants

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London EC4V 6BW
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARGILL FINANCIAL MARKETS LIMITED

We have audited the financial statements of Cargill Financial Markets Limited for the year ended 31 May 2013, set out on pages 5 to 13. 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 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 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

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 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its loss 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.

Christopher Dimmick (Senior statutory auditor)
for and on behalf of

Rees Pollock, Statutory Auditors

7 November 2013

PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2013

	Note	2013 \$000	2012 \$000
NET TRADING INCOME/(EXPENSE)	2	215	122
Foreign exchange (losses)/gains		(78)	(2,057)
Administrative expenses		(901)	(535)
Other operating income		-	957
		<hr/>	<hr/>
OPERATING LOSS	3	(764)	(1,513)
Interest receivable and similar income	5	1,053	7,054
Loan impairment		(57,832)	1,312
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(57,543)	6,853
Tax on (loss)/profit on ordinary activities	6	301	431
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(57,242)	7,284
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account


The notes on pages 7 to 13 form part of these financial statements

BALANCE SHEET
As at 31 May 2013

	Note	\$000	2013 \$000	2012 \$000
FIXED ASSETS				
Investments	7		-	-
CURRENT ASSETS				
Debtors	8	1,171,598		1,241,820
Cash at bank		6,966		4,654
		<u>1,178,564</u>		<u>1,246,474</u>
CREDITORS: amounts falling due within one year	10	<u>(589,895)</u>		<u>(600,563)</u>
NET CURRENT ASSETS			588,669	645,911
NET ASSETS			<u>588,669</u>	<u>645,911</u>
CAPITAL AND RESERVES				
Called up share capital	11		107,325	107,325
Profit and loss account	12		481,344	538,586
SHAREHOLDERS' FUNDS	13		<u>588,669</u>	<u>645,911</u>

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

6 November 2013



A I Chohan
Director

The notes on pages 7 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

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 profit 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 accounts

Turnover, cost of sales and gross profit do not have any meaningful equivalent in a financial markets business 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 funds costs

The directors consider that the financial 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 401 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 Investments

Investments in subsidiary undertakings are carried at cost less impairment

1.3 Interest income and expense

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

1.4 Other operating expense

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

1.5 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

1.6 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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2013

1. ACCOUNTING POLICIES (continued)

1.7 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. NET TRADING INCOME

	2013	2012
	\$000	\$000
Trading gains / (losses)	294	-
Interest income	1	195
Interest expense	(80)	(73)
	<u>215</u>	<u>122</u>
Total	<u>215</u>	<u>122</u>

3. OPERATING LOSS

The operating loss is stated after charging

	2013	2012
	\$000	\$000
Auditors' remuneration	28	28
	<u>28</u>	<u>28</u>

During the year, no director received any emoluments (2012 - \$NIL)

4. SEGMENTAL ANALYSIS

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

5. INTEREST RECEIVABLE

	2013	2012
	\$000	\$000
Interest receivable from group companies	1,053	7,054
	<u>1,053</u>	<u>7,054</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

6. TAXATION

	2013 \$000	2012 \$000
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	49	(818)
Adjustments in respect of prior periods	(360)	455
Total current tax	<u>(311)</u>	<u>(363)</u>
Deferred tax (see note 9)		
Origination and reversal of timing differences	10	(68)
Tax on (loss)/profit on ordinary activities	<u>(301)</u>	<u>(431)</u>

Factors affecting tax charge for the year

The tax assessed for the year is differs from the standard rate of corporation tax in the UK of 23.83% (2012 - 25.67%). The differences are explained below

	2013 \$000	2012 \$000
(Loss)/profit on ordinary activities before tax	<u>(57,543)</u>	<u>6,853</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.83% (2012 - 25.67%)	(13,712)	1,759
Effects of:		
Capital allowances for year in excess of depreciation	(3)	(5)
Expenses not deductible for tax	46	-
Adjustments to tax charge in respect of prior periods	(360)	455
Transfer pricing adjustment	(59)	(6)
Provision for impairment and bad and doubtful debt	13,777	(2,504)
Loan waiver not taxable	-	(62)
Current tax credit for the year (see note above)	<u>(311)</u>	<u>(363)</u>

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% in April 2015. A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 21 March 2012, and a further reduction to 21% will be effective from 1 April 2014.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 May has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 June 2012 and 31 May 2013	4,692
Impairment	
At 1 June 2012 and 31 May 2013	4,692
Net book value	
At 31 May 2013	-
At 31 May 2012	-

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

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
Cargill Finance Limited	United Kingdom	Dormant	100% ordinary
Endon Europe Power 5 Limited	United Kingdom	Investment company	100% ordinary
Endon Europe Power 4 Limited *	United Kingdom	Investment company	100% ordinary
Endon Europe Power 6 Limited *	United Kingdom	Investment company	100% ordinary
Endon Europe Power 3 Limited *	United Kingdom	Investment company	100% ordinary & 100% preference
Endon Europe Power 1 Limited *	United Kingdom	Investment company	100% ordinary & 100% preference
Teesside Power Holdings Limited *	United Kingdom	Investment company	100% ordinary
EEP Seven Limited *	United Kingdom	Investment company	100% ordinary

*Held by subsidiary undertaking

8. DEBTORS

	2013 \$000	2012 \$000
Trade debtors	-	78
Amounts owed by group undertakings	545,700	615,803
Tax debtor	697	-
Other debtors	625,045	625,773
Deferred tax asset (see note 9)	156	166
	<u>1,171,598</u>	<u>1,241,820</u>

Included within 'Other debtors' above is a deposit of \$625,000,000 held by and due from another company within the Cargill group

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2013

9. DEFERRED TAX ASSET

	2013	2012
	\$000	\$000
At beginning of year	166	98
Deferred tax (charge)/credit for the year	(10)	68
	<hr/>	<hr/>
At end of year	<u>156</u>	<u>166</u>

The deferred tax asset is made up as follows

	2013	2012
	\$000	\$000
Decelerated capital allowances	13	18
Withholding tax	143	148
	<hr/>	<hr/>
	<u>156</u>	<u>166</u>

10. CREDITORS

Amounts falling due within one year

	2013	2012
	\$000	\$000
Amounts owed to group undertakings	589,748	600,223
Accruals and deferred income	147	340
	<hr/>	<hr/>
	<u>589,895</u>	<u>600,563</u>

11. SHARE CAPITAL

	2013	2012
	\$000	\$000
Allotted, called up and fully paid		
107,305,000 Ordinary \$ shares of \$1 each	107,305	107,305
	<hr/>	<hr/>
Allotted, called up and partly paid		
50,000 Ordinary £ shares of £1 each, 25 pence paid	20	20
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

12. RESERVES

	Profit and loss account \$000
At 1 June 2012	538,586
Loss for the financial year	(57,242)
At 31 May 2013	<u>481,344</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 \$000	2012 \$000
Opening shareholders' funds	645,911	638,627
(Loss)/profit for the financial year	(57,242)	7,284
Closing shareholders' funds	<u>588,669</u>	<u>645,911</u>

14. CONTINGENT LIABILITIES

In 2008, Teesside Power Holdings Ltd ("TPHL") sold 69% and other persons sold 31% of Teesside Power Ltd ("TPL"). As part of the sale, TPHL and the other sellers provided a tax indemnity to the buyers in relation to pre-sale contingent tax liabilities of TPL. Cargill Financial Markets plc ("CFM") guaranteed TPHL's obligations. The tax treatment by TPL of certain transactions undertaken in 2006 and 2007 has been the subject of ongoing enquiries by HMRC. In August 2013, HMRC issued closure notices including proposed adjustments to TPL's taxable income for those two years. The Sellers have appealed against the closure notices and the issue is likely to be referred to the tax tribunal to decide the matter. If the issue is ultimately decided in favour of HMRC, TPHL's liability under the tax deed would be approximately GBP 51 million. On the basis of consultations with leading UK tax counsel and other UK tax advisers the Directors' opinion is that it does not have a present obligation under the tax deed nor is it probable that an actual liability will arise. Accordingly, no provision has been made in these accounts.

15. OTHER FINANCIAL COMMITMENTS

(a) As at 31 May 2013, 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 2013, 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 (2012: \$nil).

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

16. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8 Related party disclosures, the company is exempt from related party disclosure requirements on transactions with Cargill, Incorporated group companies because 100% of its voting rights are controlled within this group, and the consolidated financial statements of the group, in which the company is included, are publicly available

17. POST BALANCE SHEET EVENTS

Cargill Financial Markets Limited injected \$56m as a capital contribution into a subsidiary company, EEP Seven Limited, post the balance sheet date

18. 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