

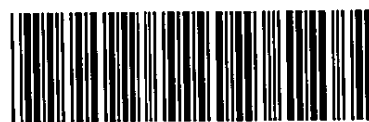
Registered No 2579333

Magnolia Power (TPL)

Report and Financial Statements

31 May 2010

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COMPANIES HOUSE

Magnolia Power (TPL)

Registered No 2579333

Directors

R D Thurston

R G Ward

Secretary

R D Thurston

Auditors

Ernst and Young LLP

1 Bridgewater Place

Water Lane

Leeds

LS11 5QR

Registered office

Knowle Hill Park

Fairmile Lane

Cobham, Surrey

KT11 2PD

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 May 2010

Principal activities, business review and future developments

The company is an investment company

Due to the nature of the business the directors do not measure any key performance indicators and do not consider there to be any risks or uncertainties

Results and dividends

The company's profit for the year after taxation is £20,000 (2009 – loss £76,000) The directors do not recommend the payment of a dividend (2009 – nil)

Directors

The present directors, who served throughout the year, are shown on page 1


Disclosure of information to the auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken such steps as he should 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

Ernst & Young LLP have expressed their willingness to remain in office as the company's auditors

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



R G Ward
Director

15th November 2010

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 proper 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.

Independent auditors' report

to the members of Magnolia Power (TPL)

We have audited the financial statements of Magnolia Power (TPL) for the year ended 31 May 2010 which comprise the Profit and loss account, Balance sheet, and the related notes 1 to 8. 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 auditors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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 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.

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 2010 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.

Independent auditors' report

to the members of Magnolia Power (TPL) (continued)

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



S W Watson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

22 November 2010

Profit and loss account

for the year ended 31 May 2010

	Notes	2010 £000	2009 £000
Operating income/(expenses)	2	4	(8)
Operating profit/(loss)		<u>4</u>	<u>(8)</u>
Interest receivable		23	246
Profit on ordinary activities before taxation		<u>27</u>	<u>238</u>
Taxation charge on profit on ordinary activities	3	(7)	(314)
Profit/(loss) after tax for the financial period	7	<u>20</u>	<u>(76)</u>

All activities relate to continuing operations

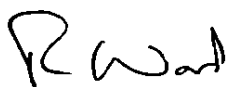
There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account. The notes on pages 8 to 10 form part of these financial statements.

Balance sheet

at 31 May 2010

	Notes	2010 £000	2009 £000
Current assets			
Cash at bank		7,328	7,623
Creditors , amounts falling due within one year	5	(789)	(1,104)
Net current assets and net assets		<u>6,539</u>	<u>6,519</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss reserve	7	6,539	6,519
Total shareholders' funds		<u>6,539</u>	<u>6,519</u>

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



R G Ward
Director
15th November 2010

The notes on pages 8 to 10 form part of these financial statements

Notes to the financial statements

at 31 May 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, all of which have been consistently applied. The principal accounting policies are set out below.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred Tax Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that have occurred at that date will result in an obligation to pay more, or a right to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the directors consider that it is likely that taxable profits will be available against which future reversals of the underlying timing differences can be made. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse. These are based on tax rates and laws substantively enacted at the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cash flow statement because 90% or more of the voting rights are controlled by Cargill Incorporated, the group accounts of which include this company and are publicly available.

Related party transactions

As permitted by paragraph 3(c) of FRS 8, the company has taken advantage of the exemption for 90% subsidiaries not to disclose related party transactions with other group entities.

2. Operating expenses

The emoluments of the directors were paid in both years by an affiliate of the parent undertaking, Cargill Incorporated, a company incorporated in the USA, of which the company is a subsidiary, and which makes no recharge to the company. They are directors of other group undertakings and it is not possible to make an accurate apportionment of their emoluments in respect of each group undertaking. Accordingly no emoluments in respect of the directors are disclosed in this company and their total emoluments are disclosed in the financial statements of Cargill Incorporated.

The company has no employees (2009 - nil)

The operating loss includes £6,000 (2009 - £8,000) charged for audit fees.

Notes to the financial statements

at 31 May 2010

3. Tax on profit on ordinary activities

	31 May 2010 £000	31 May 2009 £000
Current tax		
UK corporation tax charge on profit for the period	7	67
UK corporation tax charge on profit for prior years	-	247
Tax charge on profit on ordinary activities	7	314

The difference between the tax charge on the profit on ordinary activities for the period and the tax assessed on the profit on ordinary activities for the period assessed at the standard rate of corporation tax in the UK of 28% (2009 – 28%) can be explained as follows

	31 May 2010 £000	31 May 2009 £000
Profit on ordinary activities	27	238
Tax on profit on ordinary activities before tax at 28% (2009 – 28%)	7	67
<i>Effects of</i>		
Adjustments in respect of prior periods	-	247
Current charge for the period	7	314

No deferred tax asset has been recognised for tax losses which are not expected to be utilised in the foreseeable future. The total amount of tax unprovided in respect of these losses is £7,514,000 (2009 - £7,559,000)

On 22 June 2010, the UK government announced proposals to reduce the main rate of corporation tax from 28% to 24% over 4 years with effect from 1 April 2011. As of 31 May 2010, the tax rate change was not substantially enacted.

4. Dividends

No dividends have been distributed in the period (2009 – nil)

5. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Accruals and deferred income	-	8
Amounts payable in respect of group relief	782	782
Corporation tax	7	314
	789	1,104

Notes to the financial statements

at 31 May 2010

6. Share capital

	2010	2009
<i>Authorised</i>	£	£
50,000,000 ordinary shares of £1 each	50,000,000	50,000,000
	<u> </u>	<u> </u>
	2010	2009
<i>Allotted, called up and fully paid</i>	£	£
Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

7. Reconciliation of movements in shareholders' funds

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 31 May 2008	-	6,595	6,595
Loss for the year	-	(76)	(76)
	<u> </u>	<u> </u>	<u> </u>
At 31 May 2009	-	6,519	6,519
Profit for the year	-	20	20
	<u> </u>	<u> </u>	<u> </u>
At 31 May 2010	-	6,539	6,539
	<u> </u>	<u> </u>	<u> </u>

8. Parent undertaking

The company's immediate parent undertaking is Teesside Power Holdings Limited which is incorporated in England and Wales

The company has taken advantage of the exemption granted under Section 408 of the Companies Act 2006, which permits the company not to prepare group accounts, as the company is a wholly owned subsidiary of Cargill Incorporated, a company incorporated in the USA, and whose consolidated financial statements are lodged with Companies House