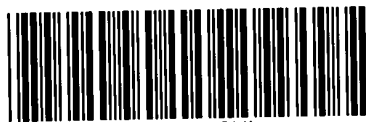


Teesside Power Holdings Limited

Report And Financial Statements

31 May 2017

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COMPANIES HOUSE

Rees Pollock
Chartered Accountants

Teesside Power Holdings Limited

COMPANY INFORMATION

Directors	A I Chohan M J Timewell
Company secretary	D M Lo'Bue
Company number	02901888
Registered office	Velocity V1 Brooklands Drive Weybridge Surrey KT13 0SL
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW

DIRECTORS' REPORT
For the Year Ended 31 May 2017

The directors present their report and the financial statements for the year ended 31 May 2017.

Results and dividends

The loss for the year, after taxation, amounted to £1,139,000 (2016 -loss £1,469,000).

The directors have not recommend a dividend (2016 - £nil).

Directors

The directors who served during the year were:

A I Chohan
M J Timewell

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that 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.

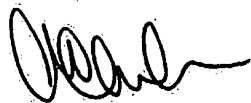
Teesside Power Holdings Limited

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 May 2017

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 December 2017 and signed on its behalf.



A I Chohan
Director

STRATEGIC REPORT
For the Year Ended 31 May 2017

Business review

The principal activity of the company during the year was that of an investment company.

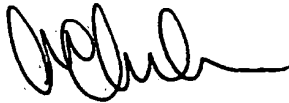
Principal risks and uncertainties

As the company has no trade, the directors do not consider that the company is subject to any significant operational risks and uncertainties.

Financial 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.

This report was approved by the board on 13 December 2017 and signed on its behalf.



A I Chohan
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
TEESSIDE POWER HOLDINGS LIMITED**

We have audited the financial statements of Teesside Power Holdings Limited for the year ended 31 May 2017, set out on pages 5 to 12. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2017 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Catherine Kimberlin (Senior statutory auditor)
for and on behalf of

Rees Pollock, Statutory Auditor

15 December 2017

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 May 2017

	Note	2017 £000	2016 £000
Administrative expenses		(250)	(98)
Operating loss	2	(250)	(98)
Interest payable and similar charges	4	(892)	(1,283)
Loss before tax		(1,142)	(1,381)
Tax on loss	5	3	(88)
Loss for the financial year		<u>(1,139)</u>	<u>(1,469)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There were no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 12 form part of these financial statements.

Teesside Power Holdings Limited
Registered number:02901888

BALANCE SHEET
As at 31 May 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors: amounts falling due within one year	6	429,307	429,261
Creditors: amounts falling due within one year	7	(231,898)	(236,699)
Net current assets		<u>197,409</u>	<u>192,562</u>
Total assets less current liabilities		<u>197,409</u>	<u>192,562</u>
Net assets		<u><u>197,409</u></u>	<u><u>192,562</u></u>
Capital and reserves			
Called up share capital	8	103,967	103,967
Share premium account		29,878	23,892
Profit and loss account		<u>63,564</u>	<u>64,703</u>
		<u><u>197,409</u></u>	<u><u>192,562</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2017.



A I Chohan
Director

The notes on pages 8 to 12 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 May 2017

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 June 2015	103,967	23,892	66,172	194,031
Comprehensive income for the year				
Loss for the year	-	-	(1,469)	(1,469)
At 1 June 2016	103,967	23,892	64,703	192,562
Comprehensive income for the year				
Loss for the year	-	-	(1,139)	(1,139)
Shares issued during the year	-	5,986	-	5,986
At 31 May 2017	103,967	29,878	63,564	197,409

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Teesside Power Holdings Limited is a private limited company incorporated in the UK.

The company's registered address is Velocity V1 Brooklands Drive, Weybridge, Surrey, England, KT13 0SL

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgment in applying the company's accounting policies. Due to the straightforward nature of the business management consider that no critical judgements have been made in applying the company's accounting policies.

The following principal accounting policies have been applied:

1.2 Going concern

The directors have considered the financial position of the company and conclude that the company will have sufficient resources to meet all financial obligations as they fall due. Accordingly, they continue to adopt the going concern basis in the preparation of the report and accounts.

1.3 Cash flow statement

Under FRS 102 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.

1.4 Financial instruments

The company only enters into basic financial instruments.

Loans to other group companies are initially recognised at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Balances repayable within one year are measured, initially and subsequently, at the undiscounted amount of the consideration expected to be received, net of any impairment.

Other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired.

The company does not hold collateral against its receivable balances so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The company's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings.

Loans and other amounts owed to group undertakings raised for support of long term funding of the company's operations are recognised at fair value, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to the profit and loss account on an accruals basis using the effective interest rate method and are included in creditors to the extent that they are not settled in the period in which they arose.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2017

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

As the company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

1.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.6 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.7 Related party transactions

As the company is a wholly owned subsidiary of Cargill Inc, the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Cargill Inc, within which this company is included, are available to the public.

2. OPERATING LOSS

The operating loss is stated after charging:

	2017 £000	2016 £000
Auditors' remuneration	3	2

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2017

3. STAFF COSTS

The Company has no employees other than the directors, who did not receive any remuneration (2016 -£NIL).

4. INTEREST PAYABLE

	2017 £000	2016 £000
Bank interest payable	237	295
On loans from group undertakings	655	988
	<u>892</u>	<u>1,283</u>

5. TAXATION

	2017 £000	2016 £000
Current tax		
UK corporation tax on profits for the year	(1)	88
Adjustments in respect of previous periods	(2)	-
	<u>(3)</u>	<u>88</u>
Taxation on loss on ordinary activities		
	<u>(3)</u>	<u>88</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.83% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	(1,142)	(1,381)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.83% (2016 -20%)	(226)	(276)
Effects of:		
Expenses not deductible for tax purposes	41	19
Adjustments to tax charge in respect of prior periods	(2)	-
Transfer pricing adjustments	184	345
Total tax charge for the year	<u>(3)</u>	<u>88</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2017

6. DEBTORS

	2017	2016
	£000	£000
Amounts owed by group undertakings	387,711	387,711
Other debtors	41,596	41,550
	<u>429,307</u>	<u>429,261</u>

7. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Bank overdrafts	28,315	33,680
Amounts owed to group undertakings	3,583	2,928
Corporation tax	-	87
Other creditors	200,000	200,000
Accruals and deferred income	-	4
	<u>231,898</u>	<u>236,699</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 May 2017

8. SHARE CAPITAL

	2017 £000	2016 £000
Allotted, called up and fully paid		
103,966,186 (2016: 103,966,185) Ordinary shares of £1 each	103,967	103,967

During the year 1 ordinary share was issued for consideration of £5,985,712.

9. CONTINGENT LIABILITIES

In April 2008, Teesside Power Holdings Limited ('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 Limited ('CFM') guaranteed TPHL's obligations. The tax treatment by TPL of certain transactions undertaken in 2006 and 2007 was the subject of an enquiry by HMRC. In August 2013, HMRC issued closure notices including proposed adjustments to TPL's taxable income for those two years. At the direction of the sellers, TPL appealed against the closure notices and the issue was referred to the First Tier Tribunal (Tax) which heard the case in April 2015. In August 2015, the tribunal decided the appeal in HMRC's favour. In October 2015, TPL appealed to the Upper Tribunal, and that appeal was heard in November 2016. In February 2017, the tribunal decided the appeal in HMRC's favour. The case will now be referred to the Court of Appeal. On the basis of consultations with leading UK tax counsel and other UK tax advisers the Directors' opinion remains that it is not probable that HMRC will ultimately prevail in this matter. Accordingly, no provision has been made in these accounts.

In March 2015, following a law change, TPL was required to make an advance payment of the tax payable if, after all appeals, the case is concluded in HMRC's favour. In line with their obligations under the tax indemnity, the sellers made the advance tax payment on TPL's behalf. TPHL's share of this payment, being £41.55m, is included under 'Other Debtors'.

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Endon Europe Power 1 Limited, 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.