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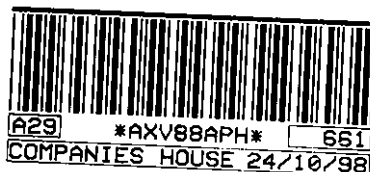
Company Registration No. 2955403

CERES (U.K.) LIMITED

Report and Financial Statements

31 December 1997

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**





REPORT AND FINANCIAL STATEMENTS 1997

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DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 31 December 1997.

ACTIVITIES AND FUTURE PROSPECTS

The company has not traded since incorporation. It is anticipated that the company will enter into a limited number of group transactions in future years.

DIRECTOR

The director of the company who has served throughout the year was:

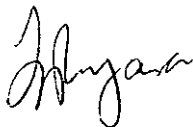
M.J. Tuckey

The director had no disclosable interests in the shares of the company or any other UK group company during the year.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Sole Director
and signed on his behalf



S.P. PUJARA

Secretary

22 April 1998



STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.



AUDITORS' REPORT TO THE MEMBERS OF CERES (U.K.) LIMITED

We have audited the financial statements on pages 4 and 5 which have been prepared under the accounting policy set out on page 5.

Respective responsibilities of director and auditors

As described on page 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Deloitte & Touche

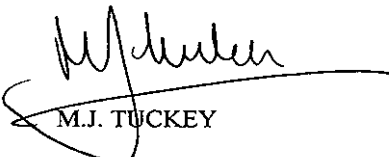
Chartered Accountants
and Registered Auditors

1st June 1998

BALANCE SHEET
31 December 1997

	Note	1997 £	1996 £
CURRENT ASSETS			
Debtors	4	2	2
TOTAL ASSETS		<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS			
Called up share capital	5	<u>2</u>	<u>2</u>

These financial statements were approved by the Sole Director on 22nd April 1998.



M.J. TUCKEY

Director



NOTES TO THE ACCOUNTS
Year ended 31 December 1997

1. ACCOUNTING POLICY

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policy adopted is described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

Ceres (U.K.) Limited has not traded during the year ended 31 December 1997 or the preceeding year; it has made neither profit nor loss nor any other recognised gain or loss, and therefore no profit and loss account has been prepared. There has been no movement in shareholders' funds.

The auditors' remuneration has been borne by the immediate parent company.

3. DIRECTORS AND EMPLOYEES

The director did not receive any remuneration for his services as a director of the company during the year (1995 - £nil). The company did not have any employees.

4. DEBTORS

	1997 £	1996 £
Amounts owed by immediate parent company	2	2

5. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised: Equity shares - 1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid: Equity shares - 2 ordinary shares of £1 each	2	2

6. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Glencore International AG., a company incorporated in Switzerland. The immediate parent company is Glencore Grain UK Limited, a company incorporated in Great Britain and registered in England and Wales. A copy of that company's financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.