

Registration number 4365397

Louis Dreyfus Services Limited
Directors' report and financial statements
for the year ended 31 December 2004



Louis Dreyfus Services Limited

Company information

Directors	P. De Camaret J. Gandar H. Wolkin J. Barritt
Secretary	A.M. Payne
Company number	4365397
Registered office	Queensberry House 3 Old Burlington Street London W1S 3LD
Auditors	Constantin Aldwych House 81 Aldwych London WC2B 4HN

Louis Dreyfus Services Limited

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Louis Dreyfus Services Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the financial statements for the year ended 31 December 2004.

Principal activity and review of the business

The principal activity of the company is to provide agricultural commodity trading consultancy services.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend (2003: US\$ nil).

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

		Ordinary shares	
		31/12/04	01/01/04
		or date of	
		appointment	
P. De Camaret		-	-
J. Gandar		-	-
H. Wolkin	(Appointed 16 March 2004)	-	-
J. Barritt	(Appointed 16 March 2004)	-	-

Directors' and officers' liability insurance

During the year the company purchased and maintained liability insurance for its directors and officers, as permitted by Section 310(3) of the Companies Act 1985.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

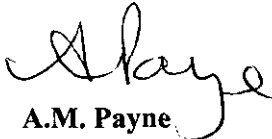
Louis Dreyfus Services Limited

**Directors' report
for the year ended 31 December 2004**

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Constantin be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 13.10.05 and signed on its behalf by



**A.M. Payne
Secretary**

Louis Dreyfus Services Limited

Independent auditors' report to the shareholders of Louis Dreyfus Services Limited

We have audited the financial statements of Louis Dreyfus Services Limited for the year ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 directors 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.

Louis Dreyfus Services Limited

Independent auditors' report to the shareholders of Louis Dreyfus Services Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Constantin.

Constantin
Registered Auditors

Date 21 October 2005.

Louis Dreyfus Services Limited

**Profit and Loss Account
for the year ended 31 December 2004**

		Continuing operations	
		2004	2003
	Notes	US\$	US\$
Turnover	1	44,742,509	30,616,357
Cost of sales		(12,442,742)	(13,653,119)
Gross profit		<u>32,299,767</u>	<u>16,963,238</u>
Administrative expenses		(16,068,360)	(1,790,513)
Exceptional items	2	(12,700,000)	(8,000,000)
Operating profit	3	<u>3,531,407</u>	<u>7,172,725</u>
Other interest receivable and similar income	4	421,105	-
Interest payable and similar charges	5	(547,969)	(142,463)
Profit on ordinary activities before taxation		<u>3,404,543</u>	<u>7,030,262</u>
Tax on profit on ordinary activities	8	(332,781)	(1,220,324)
Profit on ordinary activities after taxation		<u>3,071,762</u>	<u>5,809,938</u>
Retained profit brought forward		5,826,871	16,933
Retained profit carried forward		<u><u>8,898,633</u></u>	<u><u>5,826,871</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

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

Louis Dreyfus Services Limited

**Balance Sheet
as at 31 December 2004**

	Notes	2004		2003	
		US\$	US\$	US\$	US\$
Fixed assets					
Tangible assets	9		818		1,634
Investments	10		1,400,000		-
			<u>1,400,818</u>		<u>1,634</u>
Current assets					
Debtors	11	37,984,166		29,895,745	
Cash at bank and in hand		113,639		-	
		<u>38,097,805</u>		<u>29,895,745</u>	
Creditors: amounts falling due within one year	12	<u>(30,599,890)</u>		<u>(24,070,408)</u>	
Net current assets			<u>7,497,915</u>		<u>5,825,337</u>
Total assets less current liabilities			<u>8,898,733</u>		<u>5,826,971</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			8,898,633		5,826,871
Shareholders' funds	14		<u>8,898,733</u>		<u>5,826,971</u>

The financial statements were approved by the Board on13.10.05..... and signed on its behalf by



J. Barritt
Director

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

Louis Dreyfus Services Limited

Notes to the financial statements for the year ended 31 December 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable Accounting Standards.

The company has consistently applied all relevant accounting standards.

The financial statements are prepared in US\$ as this is the main operating currency of the company.

1.2. Turnover

Turnover represents the amounts invoiced for services supplied to customers excluding value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment - 4 years straight line

1.4. Investments

Fixed asset investments are stated at cost less provision for impairment.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US\$ at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.8. Consolidation

The financial statements contain information about Louis Dreyfus Services Limited as an individual company. In accordance with the provisions of Financial Reporting Standard No. 2 and sections 228(2) and 228(1)(b) of the Companies Act 1985, the company has taken advantage of the exemption available to it from the requirement to prepare consolidated financial statements.

Louis Dreyfus Services Limited

Notes to the financial statements for the year ended 31 December 2004

1.9. Cash flow statement

In accordance with Financial Reporting Standard No.1, the company has taken advantage of the exemption for subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to prepare a cash flow statement, as the consolidated financial statements in which the company is included are publicly available.

1.10. Related party transactions

In accordance with Financial Reporting Standard No.8, the company has taken advantage of the exemption for subsidiary undertakings, whose 90% or more voting rights are controlled within a group, from the requirement to disclose related party transactions, as the consolidated financial statements in which the company is included are publicly available.

2. Exceptional items

These relate to amounts contributed by the company to an employee benefit trust ("EBT") for the benefit of the officers and employees of the company. In 2004, the trustees of the EBT made a payment of US\$17.5m into a sub-trust, one of the beneficiaries of which is a director of the company.

3. Operating profit	2004 US\$	2003 US\$
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	817	818
Exchange differences	255,092	201,410
Auditors' remuneration	4,031	-
	<u>255,909</u>	<u>202,228</u>
4. Interest receivable and similar income	2004 US\$	2003 US\$
Bank interest	25,650	-
On amounts receivable from group companies	395,455	-
	<u>421,105</u>	<u>-</u>
5. Interest payable and similar charges	2004 US\$	2003 US\$
On amounts payable to group companies	547,969	142,463
	<u>547,969</u>	<u>142,463</u>

Louis Dreyfus Services Limited

Notes to the financial statements for the year ended 31 December 2004

6. Employees

Number of employees	2004	2003 Number
The average monthly numbers of employees (including the directors) during the year were:	<u>5</u>	<u>3</u>

Employment costs	2004 US\$	2003 US\$
Wages and salaries	14,741,694	543,313
Social security costs	90,580	56,317
Other pension costs	66,643	2,934
	<u>14,898,917</u>	<u>602,564</u>

6.1. Directors' emoluments	2004 US\$	2003 US\$
Remuneration and other emoluments	<u>1,056,001</u>	<u>430,553</u>
Highest paid director	US\$	US\$
Amounts included above:		
Emoluments and other benefits	<u>562,794</u>	<u>430,553</u>

7. Pension costs

A number of the employees and directors are members of the Louis Dreyfus & Co. Limited's company pension scheme, and details of the scheme are disclosed in the consolidated financial statements of that company.

Louis Dreyfus Services Limited

Notes to the financial statements for the year ended 31 December 2004

8. Tax on profit on ordinary activities

Analysis of charge in period	2004 US\$	2003 US\$
Current tax		
UK corporation tax	332,781	1,220,324

Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 US\$	2003 US\$
Profit on ordinary activities before taxation	3,404,543	7,030,262
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2003 : 30%)	1,021,363	2,109,079
Effects of:		
Expenses not deductible for tax purposes	13,052	68,651
Adjustments to tax charge in respect of previous periods	62,212	-
Group relief claimed for no consideration	(776,341)	(1,062,893)
Foreign exchange movement on tax liability	12,388	105,324
Other	-	163
Deferred tax not provided	107	-
Current tax charge for period	332,781	1,220,324

Factors that may affect future tax charges

Potential deferred tax assets of US\$168 (2003: US\$62) relating to accelerated capital allowances and US\$nil (2003: US\$15,000) relating to short term timing differences have not been recognised on the grounds that they are not deemed recoverable under Financial Reporting Standard No. 19.

Louis Dreyfus Services Limited

**Notes to the financial statements
for the year ended 31 December 2004**

9. Tangible fixed assets	Computer equipment US\$
Cost	
At 1 January 2004 and at 31 December 2004	3,270
Depreciation	
At 1 January 2004	1,635
Charge for the year	817
At 31 December 2004	2,452
Net book values	
At 31 December 2004	818
At 31 December 2003	1,635

10. Fixed asset investments	Subsidiary undertakings shares US\$
Cost	
Additions	1,400,000
At 31 December 2004	1,400,000
Provisions for diminution in value	
At 31 December 2004	-
Net book values	
At 31 December 2004	1,400,000

10.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of incorporation	Class of shares held	Proportion of shares held
Subsidiary undertaking LD Newco Property Ltd	United Kingdom	Ordinary	100%

Louis Dreyfus Services Limited

Notes to the financial statements for the year ended 31 December 2004

11. Debtors	2004	2003
	US\$	US\$
Amounts owed by group undertakings	37,958,455	29,895,745
Other debtors	25,711	-
	<u>37,984,166</u>	<u>29,895,745</u>

12. Creditors: amounts falling due within one year	2004	2003
	US\$	US\$
Trade creditors	-	368
Amounts owed to group undertakings	15,041,985	14,842,757
Corporation tax	1,553,105	1,220,324
Other taxes and social security costs	-	291
Accruals and deferred income	14,004,800	8,006,668
	<u>30,599,890</u>	<u>24,070,408</u>

13. Share capital	2004	2003
	US\$	US\$
Authorised		
100 Ordinary shares of US\$1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of US\$1 each	<u>100</u>	<u>100</u>

14. Reconciliation of movements in shareholders' funds	2004	2003
	US\$	US\$
Profit for the year	3,071,762	5,809,938
Opening shareholders' funds	5,826,971	17,033
Closing shareholders' funds	<u>8,898,733</u>	<u>5,826,971</u>

15. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking and controlling party is Louis Dreyfus S.A.S., a company incorporated in France. Copies of the consolidated financial statements, in which the company is included, are available from its registered office: 87 Avenue de la Grande Armée, 75782 Paris.

Louis Dreyfus Services Limited

**Notes to the financial statements
for the year ended 31 December 2004**

16. Group accounts

The largest and smallest group for which group accounts are prepared, and of which the company is a member is:

	<u>Largest</u>	<u>Smallest</u>
Name	Louis Dreyfus S.A.S.	Louis Dreyfus & Co. Limited
Country of incorporation	France	United Kingdom
Address from where copies of consolidated financial statements can be obtained	87 Avenue de la Grande Armée 75782 Paris	Queensberry House 3 Old Burlington Street London W1S 3LD