Finnex Holdings Limited

Directors' Report and Financial Statements
Registered Number· 05085925
31 May 2007

Rees Pollock
Chartered Accountants

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OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	N Birnie M J Landers M M Sinko N J Steer R G Ward
Company Secretary	Compre Administrators Limited
Registered Office	7th Floor 110 Fenchurch Street London EC3M 5JT
Auditor	KPMG Audit Plc 7th Floor One Canada Square London E14 5AG

The directors present their directors' report and financial statements of the company for the year ended 31 May 2007

Principal Activity and Business Review

The company's principal activity is to act as a holding company for investments in European insurance subsidiaries

The company's shareholders meet all funding requirements and the company has no external debt

There has been no significant change in the company's principal activity compared to the previous year and no changes are expected in the coming year

At 31 May 2007, the company held investments in three wholly owned Finnish re-insurance companies and one wholly owned English re-insurance company All these companies are in runoff

The company had a successful year and recorded a profit of €4 1m (2006 €10 8m), after providing €4 3m against the carrying value of subsidiaries Dividends received from its subsidiary undertakings were €9 7m (2006 €11 9m)

The principal uncertainties facing the company in the coming year include the unpredictable nature of claims arising from the insurance risks underwritten by its subsidiaries and their effect on the overall returns of the company, and non-euro FX exposures in the company's subsidiaries which are mitigated by regular monitoring and execution of FX trades by the subsidiaries' management

Dividends

The directors do not recommend the payment of a dividend (2006 €5 3m)

Directors

The directors who served the company during the year were as follows

N Birnie
M J Landers
M M Sinko
N J Steer
R G Ward

None of the directors benefited from qualifying third party indemnity provisions in place during the financial year at the date of this report

Employees

The company has no employees

Suppliers

The company's expenses are all paid and recharged by other members of the Cargill Holdings group, therefore no policy on payment of suppliers is included in these financial statements

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with sections 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

BY ORDER OF THE BOARD

R G Ward
Director

16 April 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards

The financial statements are required by law to 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 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FINNEX HOLDINGS LIMITED

We have audited the financial statements of Finnex Holdings Limited for the year ended 31 May 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes These financial statements have been prepared under 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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

Opinion

In our opinion
- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

16 April 2008

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2007

	Note	2007 €	2006 €
INTEREST PAYABLE	2	(1,203,807)	(533,649)
Income from shares in group undertakings	3	9,735,000	11,860,000
Impairment in carrying value of subsidiaries	9	(4,285,187)	–
Administrative expenses		(6,276)	(22,135)
OPERATING PROFIT	4	4,239,730	(555,784)
Tax on profit on ordinary activities	8	(159,465)	(474,537)
PROFIT FOR THE FINANCIAL YEAR		4,080,265	10,829,679

The above income and expenditure has been derived from continuing activities

There were no recognised gains and losses other than the profit for the financial year Consequently, no statement of total recognised gains and losses has been prepared

The notes on pages 9 to 14 form an integral part of these financial statements

BALANCE SHEET
at 31 May 2007

	Note	2007 €	2006 €
FIXED ASSETS			
Investments	9	26,975,000	20,554,306
CURRENT ASSETS			
Debtors	10	–	314,319
Cash at bank		326,150	1,175,972
		326,150	1,490,291
CREDITORS. amounts falling due within one year	11	(1,650,825)	(474,537)
NET CURRENT (LIABILITIES)/ASSETS		(1,324,675)	1,015,754
TOTAL ASSETS LESS CURRENT LIABILITIES		25,650,325	21,570,060
CAPITAL AND RESERVES			
Called-up equity share capital	12	10,700,000	10,700,000
Profit and loss account	13	14,950,325	10,870,060
SHAREHOLDERS' FUNDS	14	25,650,325	21,570,060

The notes on pages 9 to 14 form an integral part of these financial statements

These financial statements were approved by the Board of Directors and signed on its behalf on 16 April 2008

R G Ward
Director

CASH FLOW STATEMENT
for the year ended 31 May 2007

	Note	2007 €	2006 €
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**15**	308,043	(19,410)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Income from group undertakings		9,735,000	11,860,000
Interest paid		–	(634,400)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		9,735,000	11,225,600
TAXATION		(506,984)	–
ACQUISITIONS AND DISPOSALS			
Acquisition of shares in group undertakings		(10,705,881)	–
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		(10,705,881)	–
EQUITY DIVIDENDS PAID		–	(5,285,745)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(1,169,822)	5,920,445
FINANCING			
Issue of long-term debt to group undertakings		10,120,000	–
Repayment of long-term debt to group undertakings		(9,800,000)	(4,929,855)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		320,000	(4,929,855)
(DECREASE)/INCREASE IN CASH	**16**	(849,822)	990,590

The notes on pages 9 to 14 form part of these accounts

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation:

i) The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

ii) Turnover, cost of sales and gross profit (as prescribed in the Companies Act 1985) do not have any meaningful equivalents in an investment business and are therefore not included

iii) The company has taken advantage of the exemption granted under Section 228 of the Companies Act 1985, which permits the company not to prepare group accounts, as the company is a subsidiary of Cargill, Incorporated, a company which produces consolidated financial statements

iv) The directors consider that the functional currency of the company is the Euro The financial statements have therefore been prepared in that currency

b) Fixed asset investments:
Investments in subsidiary undertakings are carried at cost less impairment for any permanent diminution in value

c) 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 FRS 19

d) Foreign currencies:
Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into Euros at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating profit

2. INTEREST PAYABLE

	2007	2006
	€	€
Interest payable and similar charges	(1,203,807)	(533,649)

€1,012,603 (2006 €448,674) of the interest payable and similar charges is payable to Group undertakings, the balance is payable to other related parties (see Note 18)

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2007	2006
	€	€
Dividends received from group undertakings	9,735,000	11,860,000

4. OPERATING PROFIT

Operating profit is stated after charging

	2007	2006
	€	€
Auditor's remuneration	11,765	7,500
Foreign exchange (gains)/losses	(5,893)	8,426

5. STAFF COSTS

The company has no employees, therefore no staff costs were accrued

6. DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors of the company

7. SEGMENTAL ANALYSIS

No segmental analysis is provided as the company has only one distinguishable class of business and operates in the European market.

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007	2006
	€	€
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 – 30%)	159,465	474,537
Total current tax	159,465	474,537

(b) Factors affecting current tax charge

The tax assessed for the year is lower (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	2007	2006
	€	€
Profit on ordinary activities before taxation	4,239,730	11,304,216
Profit on ordinary activities multiplied by rate of tax	1,271,919	3,391,265
Impairment in carrying value of subsidiaries	1,285,556	–
Dividend income received net of overseas taxation	1,027,718	1,250,026
Double taxation relief	(3,425,728)	(4,166,754)
Total current tax (note 8(a))	159,465	474,537

9. FIXED ASSET INVESTMENTS

	€
Cost	
At 1 June 2006	20,554,306
Additions	10,705,881
At 31 May 2007	31,260,187
Impairment	
Provision for year	(4,285,187)
At 31 May 2007	(4,285,187)
Net book value	
At 31 May 2007	26,975,000
At 31 May 2006	20,554,306

Details of investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Subsidiary undertakings	Country of incorporation	Holding	Proportion held	Nature of business
Jalleenvakuutusosakeyhtio Patria	Finland	Ordinary shares	100	Re-insurance
Vakuutusosakeyhtio ST International	Finland	Ordinary shares	100	Re-insurance
Bothnia International	Finland	Ordinary shares	100	Re-insurance
Moorgate Insurance Company Limited	England	Ordinary shares	100	Re-insurance

10. DEBTORS

	2007 €	2006 €
Prepayments and accrued income	–	314,319

11. CREDITORS amounts falling due within one year

	2007 €	2006 €
Amounts owed to group undertakings	1,281,659	–
Shareholder's loan	242,148	–
Corporation tax	127,018	474,537
	1,650,825	474,537

Amounts due to group undertaking and the shareholder's loan bear interest at 12% per annum

12. SHARE CAPITAL

	2007 €	2006 €
Authorised		
Ordinary shares of €1 each	15,000,000	15,000,000
	15,000,000	15,000,000
Allotted, called up and fully paid		
Ordinary shares of €1 each	10,700,000	10,700,000
	10,700,000	10,700,000
Shares classified in shareholders' funds	10,700,000	10,700,000
	10,700,000	10,700,000

13. PROFIT AND LOSS ACCOUNT

	2007 €	2006 €
Balance brought forward	10,870,060	5,326,126
Profit for the financial year	4,080,265	10,829,679
Equity dividends paid	–	(5,285,745)
Balance carried forward	14,950,325	10,870,060

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 €	2006 €
Profit for the financial year	4,080,265	10,829,679
Equity dividends paid	–	(5,285,745)
Net addition to shareholders' funds	4,080,265	5,543,934
Opening shareholders' funds	21,570,060	16,026,126
Closing shareholders' funds	25,650,325	21,570,060

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2007 €	2006 €
Operating profit	4,239,730	11,304,216
Income from shares in group companies	(9,735,000)	(11,860,000)
Impairment in carrying value of subsidiaries	4,285,187	–
Interest	1,203,807	533,649
Operating loss after adjustment	(6,276)	(22,135)
Decrease in debtors	314,319	2,725
Net cash inflow/(outflow) from operating activities	308,043	(19,410)

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007 €	2006 €
(Decrease)/Increase in cash in the period	(849,822)	990,590
Loans received from Group undertakings	(8,508,896)	–
Loans received from other related parties	(1,611,104)	–
Interest accrued on amounts owed to Group undertakings	(1,012,603)	(448,674)
Interest accrued on amounts owed to other related parties	(191,204)	(84,975)
Loans repaid to Group undertakings	8,239,840	4,678,227
Loans repaid to other related parties	1,560,160	886,028
Change in net funds	(2,373,629)	6,021,196
Net funds/(debt) at 1 June 2006	1,175,972	(4,845,224)
Net (debt)/funds at 31 May 2007	(1,197,657)	1,175,972

17. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jun 2006 €	Cash flows €	Other changes €	At 31 May 2007 €
Net cash				
Cash in hand and at bank	1,175,972	(849,822)	–	326,150
Debt				
Debt due after 1 year	–	(320,000)	(1,203,807)	(1,523,807)
Net funds/(debt)	1,175,972	(1,169,822)	(1,203,807)	(1,197,657)

18. RELATED PARTIES

At the beginning of the year Cargill Investments, the immediate parent company, loaned €8,508,896 (2006 €4,229,553) to the company Interest on this loan is charged at a rate of 12% During the year interest of €1,012,603 (2006 €448,674) arose on the loan At the beginning of May 2007 €8,239,840 of the balance was repaid, leaving €1,281,659 outstanding at the year-end (2006 €nil)

At the beginning of the year Compre Holdings Limited, a company which has M M Sinko and N J Steer as directors, loaned €1,611,104 (2006 €801,503) to the company Interest is charged on this loan at a rate of 12% During the year interest of €191,204 (2006 €84,975) arose on this loan At the beginning of May 2007 €1,560,160 of the balance was repaid, leaving €242,148 outstanding at the year-end (2006 €nil)

19. PARENT COMPANY AND CONTROLLING PARTY

The ımmedıate parent undertakıng of Fınnex Holdıngs Lımıted ıs Cargıll Investments, a company ıncorporated ın Great Brıtaın and regıstered ın England and Wales Cargıll, Incorporated ıs the ultımate parent undertakıng of Fınnex Holdıngs Lımıted and ıs regarded by the dırectors as beıng the company's ultımate controllıng party

The parent undertakıng of the smallest and largest group ınto whıch the accounts of the Company are consolıdated ıs Cargıll, Incorporated, a company ıncorporated ın the USA The consolıdated financıal statements of thıs group are lodged at Companıes House, Crown Way, Cardıff CF14 3UZ