

**Cerestar UK Limited**

**Directors' report and financial statements**

31 May 2018

Registered number 2141797

SATURDAY



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22/12/2018  
COMPANIES HOUSE

## **Directors' report and financial statements**

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## **Directors' report**

### **Introduction**

The directors present their annual report and the audited financial statements for the year ended 31 May 2018.

### **Principal activities**

*The company acts as a holding company and funding vehicle for other Cargill, Incorporated affiliates.*

### **Business review and summary results**

Summarised results are given below:

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Profit after taxation for the financial year	<b>919</b>	<b>4,388</b>

### **Proposed dividends**

The directors do not recommend the payment of a dividend (2017: *£nil*).

### **Directors**

The directors who served during the year and at the report date were:

S J Hamilton

M J Timewell

### **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 auditor is 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 auditor is aware of that information.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Velocity V1  
Brooklands Drive  
Weybridge  
Surrey  
KT13 0SL

**S J Hamilton**  
*Director*  
14 December 2018

**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 and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor's report to the members of Cerestar UK Limited**

### **Opinion**

We have audited the financial statements of Cerestar UK Limited ("the company") for the year ended 31 May 2018 which comprise the Profit and Loss Account, Statement of Total Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the



**Independent auditor's report to the members of Cerestar UK Limited**  
*(continued)*

going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.

**Anthony Hambleton (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ  
29 December 2018

**Profit and loss account**  
*for the year ended 31 May 2018*

	<i>Note</i>	<b>2018</b> \$000	<b>2017</b> \$000
Other operating income		2	129
Administrative expenses		(8)	(9)
<b>Operating (loss) / profit</b>		<u>(6)</u>	<u>120</u>
Other interest receivable and similar income	2	1,141	5,357
Interest payable and similar charges	3	-	(4)
<b>Profit before taxation</b>		<u>1,135</u>	<u>5,473</u>
Taxation charge on profit	5	(216)	(1,085)
<b>Profit for the financial year</b>		<u><u>919</u></u>	<u><u>4,388</u></u>

All of the results are derived from continuing operations.

**Statement of total comprehensive income**  
*for the year ended 31 May 2018*

	<b>2018</b> \$000	<b>2017</b> \$000
Profit for the financial year	<u>919</u>	<u>4,388</u>
<b>Total comprehensive income</b>	<u><u>919</u></u>	<u><u>4,388</u></u>

The notes on pages 8 to 13 form part of the financial statements.

**Balance sheet**  
*at 31 May 2018*

		2018		2017	
	<i>Note</i>	\$000	\$000	\$000	\$000
<b>Current assets</b>					
Debtors	6	73,433		659,092	
Creditors: amounts falling due within one year	7	<u>(215)</u>		<u>(1,088)</u>	
<b>Net current assets</b>			<b>73,218</b>		<b>658,004</b>
<b>Net assets</b>			<u><b>73,218</b></u>		<u><b>658,004</b></u>
<b>Capital and reserves</b>					
Called up share capital	8		250		2,243
Profit and loss account			<u>72,968</u>		<u>655,761</u>
<b>Shareholder's funds</b>			<u><b>73,218</b></u>		<u><b>658,004</b></u>

The notes on pages 8 to 13 form part of the financial statements.

These financial statements were approved by the board of directors on 14 December 2018 and were signed on its behalf by:



**S J Hamilton**  
*Director*



**Statement of changes in equity**  
 for the year ended 31 May 2018

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total Equity \$000
At 1 June 2017	2,243	-	655,761	658,004
<i>Total comprehensive income for the year</i>				
Profit for the financial year	-	-	919	919
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	919	919
<i>Transactions with owners, recorded directly in equity</i>				
Capital reduction	(1,993)		(583,712)	(585,705)
<b>Total contributions by and distributions to owners</b>	(1,993)	-	(583,712)	(585,705)
<b>At 31 May 2018</b>	<b>250</b>	<b>-</b>	<b>72,968</b>	<b>73,218</b>

On 06 June 2017 the company re-purchased 87,469,668 ordinary \$0.01 shares for an aggregate consideration of \$257,116,319. On 07 June 2017 the company re-purchased 111,784,411 ordinary \$0.01 shares for an aggregate consideration of \$328,589,292.

**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 2016	431,399	345,061	41,675	818,135
<i>Total comprehensive income for the year</i>				
Profit for the financial year	-	-	4,388	4,388
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	4,388	4,388
<i>Transactions with owners, recorded directly in equity</i>				
Share premium cancelled	-	(345,061)	345,061	-
Capital reduction	(429,156)		264,637	(164,519)
<b>Total contributions by and distributions to owners</b>	(429,156)	(345,061)	609,698	(164,519)
<b>At 31 May 2017</b>	<b>2,243</b>	<b>-</b>	<b>655,761</b>	<b>658,004</b>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

#### ***Statement of compliance***

Cerestar UK Limited is a private limited liability company incorporated and registered in England in the United Kingdom. The registered number is 2141797 and the registered office is Velocity 1, Brooklands Drive, Weybridge, Surrey KT13 0SL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest US\$1,000.

FRS 102 grants certain exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Designation of previously recognised financial instruments – certain financial assets and liabilities were at 1 June 2014 designated at fair value through profit or loss.
- Lease incentives – for leases commenced before 1 June 2014 the Company continued to account for lease incentives under previous UK GAAP.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained from the address stated in note 10. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

There are no judgements, made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

**Notes (continued)**

**1 Accounting policies (continued)**

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by fair value accounting by the revaluation of investments in subsidiaries, as permitted by the Companies Act. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

***Taxation***

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation, 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 new UK GAAP.

***Deferred tax***

A deferred tax asset is recognised to the extent it is regarded as recoverable. Provision is made at rates of taxation anticipated to be in force when the timing differences are expected to reverse.

***Fixed asset investments***

Investments in subsidiary undertakings are recorded cost less any accumulated provision for impairment.

***Basic financial instruments***

***Trade and other debtors / creditors***

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

***Interest-bearing borrowings classified as basic financial instruments***

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

***Expenses***

***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

**Notes (continued)**

**2 Other interest receivable and similar income**

	2018 \$000	2017 \$000
Receivable from group companies	<u>1,141</u>	<u>5,357</u>

**3 Interest payable and similar charges**

	2018 \$000	2017 \$000
Other interest charges	<u>-</u>	<u>4</u>

**4 Expenses and auditor's remuneration**

	2018 \$000	2017 \$000
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration	<u>3</u>	<u>3</u>

The company had no employees during the year (2017: none). The directors' emoluments were borne by other group undertakings. The qualifying services that they provide to the company are incidental and it is not practicable to allocate any of their remuneration to the company.

**Notes (continued)**

**5 Taxation**

<b>Analysis of tax charge in the year</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<i>Current tax</i>		
UK corporation tax at 19.00% (2017: 19.83%)	216	1,086
Adjustments in respect of prior years	-	(1)
<b>Tax charge on profit</b>	<b>216</b>	<b>1,085</b>
<b>Reconciliation of effective tax rate</b>		
Profit after taxation	919	4,388
Taxation credit	216	1,085
<b>Profit before taxation</b>	<b>1,135</b>	<b>5,473</b>
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.83%)	216	1,085
Effects of:		
Items not taxable	-	1
Adjustments in respect of prior years	-	(1)
<b>Total tax charge for the year</b>	<b>216</b>	<b>1,085</b>

**Factors that may affect future current and total tax charges**

Recent budgets have announced changes to the main rate of UK corporation tax. The current rate of 19.00% was enacted on 26 October 2015 and applied from 1 April 2017.

A further reduction to the main rate of corporation tax to 17% will apply from 1 April 2020 and was substantively enacted on 15 September 2016.

This reduces the company's future current tax rate accordingly.

Notes (continued)

**6 Debtors**

	2018 \$000	2017 \$000
<i>Amounts owed by group undertakings:</i>		
Interest receivable	4	351
Short term loans	73,429	658,741
	73,433	659,092

**7 Creditors: amounts falling due within one year**

	2018 \$000	2017 \$000
Amounts owed to group undertakings trade creditors	1	1
Other creditors including taxation and social security	214	1,087
	215	1,088

*Other creditors including taxation and social security comprise:*

Corporation tax	214	1,087
	214	1,087

**8 Called up share capital**

	2018 Number	2017 Number
<i>Allotted, called up and fully paid</i>		
Ordinary shares of \$0.01 each	25,000,000	224,254,081
	\$	\$
In reporting currency of US dollars	250,000	2,242,541

**Notes** *(continued)*

**9 Related party transactions**

The company is exempt from disclosing transactions with other wholly owned group companies under Section 33.1A of FRS 102.

**10 Ultimate holding company and parent undertaking**

The immediate parent undertaking of Cerestar UK Limited is Cerestar Holding B.V., a company incorporated in the Netherlands whose registered address is Evert van de Beekstraat 378, 1118CZ Schipol. Cargill, Incorporated is the ultimate parent undertaking of Cerestar UK Limited and is regarded by the directors as being the company's ultimate controlling party.

The smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this group are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.