Cargill Global Funding PLC

Annual report and financial statements

31 May 2020

Registered number 2857033

Annual report and financial statements

Contents

Strategic report

Introduction

The directors present their strategic report for the year ended 31 May 2020.

Business review

The Company's principal activities as an internal Treasury function are the funding of Cargill entities, the trading and management of interest rate and foreign exchange risk and the provision of cash management, foreign exchange and funding services to Cargill business units. The Company operates a cash pool for the Cargill Group. In many locations cash management movements are made on an automated and daily basis, while affiliates in some other countries will instead borrow or deposit funds on a fixed, short-term basis. The Company uses deposits in the cash pool from businesses with excess cash to fund loans to businesses with short-term financing needs, with external funding used to manage any deficits. Additionally, Cargill affiliates are responsible for managing their own foreign exchange risks according to group policy and approved limits, and routinely enter into foreign exchange transactions to hedge foreign exchange exposures. The Company arranges these trades on behalf of the businesses with external bank providers. As a result of these activities the main sources of income for the Company are the net interest, coming from the difference between the interest rate charged on lending and the interest rate paid on borrowing and the service fees charged to affiliates for provision of foreign exchange trade activities. The Company also generates foreign exchange gains and losses on derivative contracts that are used to manage non-USD funding requirements. There has been no significant change in the Company's principal activities compared to previous years and no changes are expected in the coming year.

The on-going impact of Covid-19 is impossible to predict, both on society and the world economy and therefore on the financial markets in which the Company operates. Since mid-March the Company has operated in a full work-from-home capacity without any significant disruption to operations or client service. This remote operating environment is not creating any operational impediments and as a result we are continuing to take a conservative approach to a return to pre-Covid-19 working arrangements. The safety of our staff and service continuity for our clients remains our priority. The Company will continue to review the outlook and assess financial implications and liquidity resources as the pandemic evolves to ensure action is taken in a timely manner as necessary. That said, the Company retains a strong capital and liquidity position and continues to operate as a key provider of liquidity and treasury services to the Cargill Group.

Future developments

We continue to assess and where appropriate, manage the impact to the Company of Brexit-related risks. The Company has active relationships with multiple financial institutions and these institutions have reviewed and considered Brexit scenarios with regard to their abilities to continue to offer such services. The Company's principal activities are the provision of services to Cargill affiliated entities rather than third parties and through our assessments we have not found and do not foresee any impact to our ability to operate in any of the possible Brexit scenarios.

Risks and uncertainties

The principal uncertainties facing the Company in the coming year include the unpredictable nature of the general business, financial and economic environment in which the Company operates and changes in the funding requirements of Cargill entities to support their business activities.

The principal financial risks facing the Company are liquidity or funding risk, foreign exchange risk, interest rate risk and credit or counterparty risk. Details of these and the Company's control policies are detailed in notes 15 to 17 on pages 24 to 26.

The global Covid-19 pandemic has had a significant impact on markets globally, but we do not foresee a material direct impact on the Company's operations. Cargill group companies moved to a "work from home" model during the first quarter in 2020. The changes were implemented with minimal disruption to our global business and client activities. The Company has continued to operate with enhanced management oversight and communications to our staff. The success of the shift to remote working for the Company and for our staff means we are able to take a very prudent approach to returning to office-based operations and can continue operating under the current model for a prolonged period. The impact of the pandemic on the markets in which we operate remains difficult to predict, but we have been able to maintain market access and business operations without any business interruption and are well positioned as the pandemic continues to evolve.

Current period performance
The results of the Company for the year, as set out on page 9, show a profit on ordinary activities after taxation of $23,039,903 (2019: $28,654,371). The shareholders' funds of the Company total $307,399,675 (2019: $284,346,764).

A combination of decreasing interest rates and decreased intercompany lending was the main factor contributing to a decrease in profits in the year, which was partially offset by an increase in our foreign exchange gains from trading activity. In addition, FY20 saw an increase in admin expenses mainly due to increased recharges for services provided from afilliates, further contributing to decreased profits.

Key performance indicators
Given that the principal objective of the Company is to fund entities within the Cargill Group, key performance indicators are used at the Group level and not specific to the Company.

STATEMENT BY THE DIRECTORS IN THE PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006

As required by Section 172 of the Companies Act 2006, each of the directors of the Company acts in a way that he or she considers that, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing so the directors have regard, amongst other matters, to:

- The likely consequences of any decision in the long term
- The interests of the Company's workforce
- The need to foster the Company's business relationships with customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company

As is normal in large organisations, day to day management of the Company is delegated to executives. Each of the directors is a member of the UK Leadership Team of the Company, which focusses on key issues which impact the Company, its workforce and other stakeholders. The Company is part of Cargill's worldwide Treasury function and therefore some decisions and certain stakeholder engagement is managed on a group or global level. One of the directors of the Company is a member of the Global Treasury Leadership Team and therefore has oversight of and input into decisions made at a group level. Board meetings of the Company are held regularly where the directors consider the Company's activities and make decisions. As part of those meetings the Board receives information in a range of formats from the delegated executive teams and reviews key decisions made by such teams. In discharging its duties, the Board had regard to the matters referred to in Section 172 and set out above. The Company is required to conduct its business with integrity and maintain high standards of business conduct in accordance with Cargill's Code of Conduct which is grounded in Cargill's seven Guiding Principles. This is ingrained in the Company's culture and serves as the foundation for the behaviours expected from the Company's workforce.

The impact of any decision on the Company's key stakeholders is a key factor when making decisions. The Company has identified its key stakeholders as described below. The Board will sometimes engage directly with stakeholders on certain issues but, due to the fact that the Company is part of a large organisation with a broad range of stakeholders and to ensure an efficient and effective approach, stakeholder engagement also takes place at a group or operational level.

Our people – The Company recognises that its workforce is critical to its success. The workforce is provided with a range of benefits (including pensions, healthcare, employee assistance programs and occupational health advice) which support and promote the health and wellbeing of its people and engages proactively with its workforce. This is achieved in a number of ways including via Cargill's HR portal, internal communications, regular calls for the Company's entire workforce and Global Town Hall meetings involving the wider global Treasury function. There is also a range of internal social media channels available, through which the workforce can engage in discussions and express ideas. The Company uses engagement surveys to keep abreast of the views and opinions of its workforce. For example, the workforce was surveyed in relation to any issues arising from the requirements to work from home during the COVID-19 pandemic to ensure any impacts on the mental or physical wellbeing of the workforce were minimised. In addition, the Company participated in a Mental Health Awareness Week, during which various events were organised for the benefit of employees.

Our Customers - As the Company's principal activities are the funding of Cargill entities and the provision of foreign exchange services, the Company's customers are its affiliates across the globe. There is daily interaction between the Company and its customers in relation to day to day operations, together with work on specific projects where the Company supports its customers to achieve their desired outcomes and strategic initiatives, for example providing input on acquisitions and divestitures. The Board, via the Leadership Team and the Global Treasury Leadership Team, has oversight of key customer issues and projects.

Our Suppliers – The Company's principal suppliers are its core relationship banks, its auditors and other professional consultants and market data and software/middleware providers. The Company is in regular communication with its key suppliers. It holds relationship review meetings with its relationship banks, which provide a forum for delivering feedback for both the Company and the suppliers and monitors performance via the use of annual scorecards. To ensure an insight into the wider industry as a whole, members of the Leadership Team participate in the Cargill group memberships of certain industry associations (such as ISDA and EMTA) and attend industry and supplier conferences. The Company's interaction with suppliers is guided by the Cargill Code of Conduct. The Cargill Supplier Code of Conduct is also used to ensure similar levels of ethical compliance from the Company's suppliers. The board approved Cargill's latest UK annual Modern Slavery Statement on 1st July 2019, setting out the Company's policy of ensuring that modern slavery and human trafficking does not take place anywhere within our organisation and supply chain.

In terms of engagement with the community and the Company's impact on the environment, supporting our local communities is an essential part of our commitment to being a responsible corporate citizen. The Company engages with its local communities in a number of ways:

- The Cargill group manages its support of the local communities in which it operates via the employee led Cargill Cares Councils. The Company contributes financially to and engages in activities of the Cargill Cares Council operating in the office in which it is located. In the year ending 31st May 2020 this included providing funds to Brooklands Museum for STEM projects, to Painshill Park for environmental projects, to the mental health charity MIND and to The Trussell Trust to fund food banks through the COVID 19 pandemic.
- The group Treasury function, of which the Company is a part, has an annual charity and community budget. One of the directors sits on the committee which manages this budget and members of the Company's workforce are part of a sub-committee deciding on the deployment of funds within and for the benefit of the community in which the Company operates.
- The Company supports workforce fundraising efforts where its people are taking on challenges or events to raise funds for a charity of their choice.

By order of the board

DocuSigned by:
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D Collings
Director

1 October 2020
Cargill Global Funding PLC
Registered number: 2857033

Velocity V1
Brooklands Drive
Weybridge, Surrey
KT13 0SL

Directors' report

Introduction

The directors present their directors' report and the audited financial statements for the year ended 31 May 2020.

	2020	2019
	$000	$000
Profit on ordinary activities after taxation	**23,040**	28,654

Dividend

The directors do not recommend the payment of a dividend *(2019: $ nil).*

Directors

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

J H Mawhood

A Mulholland

D Collings

None of the directors benefited from qualifying third party indemnity provisions during the financial year and at the date of the report.

Political and charitable contributions

The Company made no political contributions during the year *(2019:$ nil).* The Company made charitable contributions during the year of $24,836 *(2019: $24,400).*

Energy and Carbon reporting

The Company is a low energy user (less than 40MWh), hence energy and carbon information is not disclosed.

Financial Instruments

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in Note 14 to the financial statements. In particular, the Company's exposures to price risk, credit risk and liquidity risk are separately disclosed in that note. The Company's exposure to cash flow risk is addressed under the headings of 'Credit risk', 'Liquidity risk', 'Market risk'.

Impact of Covid-19

Business Review

A novel strain of coronavirus (Covid-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. In considering going concern, the Company continues to closely monitor developments related to the outbreak of Covid-19. The potential impacts from Covid-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. To assess any potential impact on the Company, the directors reassessed the components of funding, liquidity and the financial position of the Company and have concluded that the going concern basis is still appropriate.

We have not experienced any direct impacts related to Covid-19 on the Company's financials. The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the Covid-19 outbreak, however the Company's operations and market and liquidity access have not been disrupted and the financial impact of the Covid-19 outbreak to the Company is immaterial.

Risk management

Ensuring the safety of our staff remains our priority. Since the Covid-19 outbreak, we have implemented numerous measures that prioritise mitigating risks to staff and to the business of the Company. Steps were taken to mitigate the risks to staff by introducing "working from home". The successful implementation and extensive use of secure remote access tools has enabled the business to continue to operate throughout the period of remote working.

The Directors continue to monitor closely the changes in local laws, regulations and guidelines regarding restrictions to travel and health and safety measures and are developing policies and procedures for a gradual safe return to office and normal working practices.

Going concern

The financial statements are prepared on a going concern basis. The directors are comfortable that, notwithstanding the impact of the Covid-19 pandemic, Cargill, Incorporated, the ultimate parent is in a position to provide financial support and has indicated its intention that for at least twelve months from the date of approval of these financial statements that it will continue to make available such parental support as needed by the Company and that it does not intend to seek repayment of the amounts due at the balance sheet date until the Company has the ability to make the repayment. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The Company and its parent, Cargill Incorporated, are parties to a $5 billion committed back-up facility to ensure they can repay their commercial paper issued in the event of a liquidity crisis. Cargill Incorporated also guarantees aggregate loans and accrued interest on short term facilities from affiliates and foreign exchange trade related obligations of affiliates, for an amount more than double current outstanding balances. The Company and its parent maintain a strong capital and liquidity position and the demonstrable ongoing support by Cargill Incorporated is an important aspect supporting the going concern assessment.

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

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

By order of the board

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Velocity V1
Brooklands Drive
Weybridge, Surrey
KT13 0SL

D Collings
Director

1 October 2020
Cargill Global Funding PLC
Registered number: 2857033

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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 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 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 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 Cargill Global Funding PLC

Opinion

We have audited the financial statements of Cargill Global Funding PLC ("the company") for the year ended 31 May 2020 which comprise the Profit and Loss Account, Statement of Other 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 2020 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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
- we have not received all the information and explanations we require for our audit.

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 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.

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.

M. McG

Michael McGarry (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square London, E14 5GL
1 October 2020

Profit and loss account
for the year ended 31 May 2020

	Note	2020	2019
		$000	$000
Net trading income	2	47,957	49,737
Other operating income		1,199	1,697
Administrative expenses		(19,677)	(15,123)
Profit on ordinary activities before taxation	3	29,479	36,311
Tax on profit on ordinary activities	7	(6,439)	(7,657)
Profit for the financial year		**23,040**	**28,654**

The above income and expenditure has been derived from continuing activities.

There are no material differences between the results as reported and the results that would have been reported on a historical cost basis. Accordingly, no note of historical cost profits and losses has been prepared.

The notes on pages 13 to 26 form an integral part of these financial statements.

Statement of other comprehensive income
for the year ended 31 May 2020

	Note	2020	2019
		$000	$000
Profit for the financial year		23,040	28,654
Reversal of charge in relation to share based payments		13	(18)
Total comprehensive gains / (losses) for the financial year		**23,053**	**28,636**

Balance sheet
at 31 May 2020

	Note	2020 $000	2020 $000	2019 $000	2019 $000
Debtors:					
Amounts falling due after one year	*8*		111,234		111,551
Debtors:					
Amounts falling due within one year	*8*	4,487,244		3,767,287	
Cash & Cash Equivalents		77,649		186,289	
Creditors:					
Amounts falling due within one year	*10*	(3,742,677)		(3,155,622)	
Net Current Assets			822,216		797,954
Creditors:					
Amounts falling due after one year	*10*		(626,050)		(625,158)
Net Assets			307,400		284,347
Capital and reserves					
Called up share capital	*11*		5,000		5,000
Profit and loss account			302,400		279,347
Shareholders' funds			307,400		284,347

Statement of changes in equity
For the year ended 31 May 2020

	Share Capital $000	Profit and loss $000	Total $000
At 1 June 2018	5,000	250,711	255,711
Profit for the year		28,654	28,654
Reversal of charge in relation to share based payments		(18)	(18)
At 31 May 2019	5,000	279,347	284,347
Profit for the year		23,040	23,040
Reversal of charge in relation to share based payments		13	13
At 31 May 2020	**5,000**	**302,400**	**307,400**

These financial statements were approved by the board of directors on 1 October 2020 and were signed on its behalf by:

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D Collings
Director

Cargill Global Funding PLC
Registered number: 2857033

Notes

(forming part of the financial statements)

1 Accounting policies

Cargill Global Funding PLC is a limited liability company incorporated in England. 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 $1,000.

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 19. 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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Basis of preparation:

The financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards and under the historical cost convention, modified for derivatives which are held at fair value.

Turnover, cost of sales and gross profit (as prescribed in the Companies Act 2006) do not have any meaningful equivalents in this financial business and are therefore not presented in the profit and loss.

Trading income includes the net profits arising from positions in foreign exchange, money market assets and liabilities, net interest earned by those investments and fees charged to group undertakings.

The directors' assessment of the Company's ability to continue as a going concern is an on-going management function. This is based on the ongoing assessment of the Company's ability to access the commercial paper market as its primary source of external liquidity and the credit worthiness of banks with whom excess funds are deposited. For the purpose of the on-going assessment, scenarios that could impact the normal operating environment have been identified and considered:

- Company employees are able to continue working from home for at least the next twelve months, so no business disruption is expected from this.
- The Company manages its liquidity primarily via US commercial paper issuance, intra group loans, bank credit lines and affiliate pool deposits. Its range of liquidity sources combined with strong credit rating based on its parent guarantee has led to the Company continuing to access liquidity as needed at competitive rates. In the period March to May 2020 the Company continued to issue commercial paper with little market disruption or significant increase in cost of funding, to meet its affiliate lending requirements. The Company and its parent, Cargill Incorporated, are parties to a $5 billion committed back-up facility to ensure they can repay the commercial paper issued in the event of a liquidity crisis.
- Internal counterparty risk cases can be mitigated by the Cargill Incorporated guarantees the Company has in place and which will continue for at least the next twelve months.

- Derivative activity is executed with multiple bank counterparties with credit risk mitigated through the use of Credit Support Addenda to ISDA agreements. Exposures arising from this activity are subject to daily margining and the overnight default risk of the derivative counterparties is considered negligible. Furthermore, all bank deposits are placed with highly credit rated financial institutions subject to limits determined by the credit review process.
- Given the strength and diversification of Cargill, Incorporated's consolidated earnings for May 2020 despite the COVID-19 crisis, there is no expectation that the Company will be impacted by a loss of business from affiliates.

None of these scenarios are deemed to have a material impact on the Company's ability to continue to provide its foreign exchange and funding services or on its capital and liquidity resources. In addition, the Company's earnings during the period March to May 2020 remained strong and comparable to previous quarters of this financial year.

Cargill Incorporated, the Company's ultimate parent provides the Company with a guarantee to support its on-going business, funding and liquidity needs. The Company and its parent, Cargill Incorporated, are parties to a $5 billion committed back-up facility to ensure they can repay their commercial paper issued in the event of a liquidity crisis. Cargill Incorporated also guarantees aggregate loans and accrued interest on short term facilities from affiliates and foreign exchange trade related obligations of affiliates, for an amount more than double current outstanding balances. The Company and its parent maintain a strong capital and liquidity position and the directors of the Company have satisfied themselves that Cargill Incorporated will continue to provide the Company with funding resources to meet its business and liquidity needs for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Commercial paper and sterling acceptances:

Commercial paper and sterling acceptances are recorded on the balance sheet at the issue proceeds and are amortised at a constant yield over the period to maturity.

Interest income and expense:

Interest income and expense are recognised on an effective interest rate basis.

Foreign exchange:

The directors consider that the functional currency of the company is US dollar. The financial statements have therefore been prepared in that currency.

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Forward foreign exchange contracts are valued at market rates applicable to their respective maturities at the balance sheet date. Foreign exchange differences arising on translation are recognised in the profit and loss account

Employee Benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

Some of the Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by Cargill PLC which is legally responsible for the plan. The Company then recognises a cost equal to its contribution payable for the period.

Share based payments

Eligible employees of the Company can participate in the Share Option Plan operated by Cargill. Cargill has adopted the fair value method for valuing share options. Share options cost is measured at grant date based on the fair value of the share options. The fair value of share options is calculated using the Black Scholes options pricing model.

Compensation expense for share options is amortised and recognised in profit or loss on a straight line basis over the requisite service period, with a corresponding increase to equity. The requisite service period is generally the vesting period, except for option participants who are retiree eligible. Retiree eligible participants are deemed to have no substantive service period. For options issued to retiree eligible participants, the expense is recognised in profit or loss immediately on the grant date. For participants who become retiree eligible during the vesting period, the expense is recognised over the shorter period to the retiree eligible date.

The amount recharged by Cargill upon exercise of these share options is recognised directly in equity.

Taxation:

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted

Financial Instruments:

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Derivatives

Derivative contracts are recognised on balance sheet at fair value. Changes in fair value are recognised through profit and loss. Fair values are determined using quoted prices in active markets.

Notes *(continued)*

2 Net trading income

	2020	2019
	$000	$000
Interest income on loans and receivables	**86,185**	142,602
Interest income on bank deposits	**8,763**	1,732
Total interest income	**94,948**	144,334
Interest expense on financial liabilities at amortised cost	**(70,563)**	(105,046)
Total interest expense	**(70,563)**	(105,046)
Net interest income	**24,385**	39,288
Service fees	**841**	980
Foreign exchange revaluation - fair value through profit and loss	**22,731**	9,469
Net trading income	**47,957**	49,737

Interest income includes interest receivable from group undertakings in thousands of $86,185 *(2019: $142,602).*

Interest expense includes interest payable to group undertakings in thousands of $70,563 *(2019: $105,046).*

Service fees income includes management fee income generated from the provision of foreign exchange services to other group companies.

3 Auditor's remuneration

	2020	2019
	$000	$000
The profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration: statutory audit services	**109**	87

4 Directors' remuneration

	2020	2019
	$000	$000
Directors' emoluments	**917**	755

The aggregate of the highest paid director's emoluments is $574,566 *(2019: $509,539).* The director is a member of the defined benefit pension scheme. The accrued pension payable if the director were to retire at normal retirement age was $102,309 *(2019: $94,630).*

Notes *(continued)*

4 Directors' remuneration continued

	Number of directors 2020	2019
Retirement benefits are accruing to the following number of directors under:		
Defined contribution only	1	-
Defined benefit schemes and defined contribution schemes	2	2

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2020	2019
Traders	7	8
Administration staff	40	39
	47	47

The aggregate payroll costs of these persons were as follows:	2020 $000	2019 $000
Wages and salaries	6,901	6,054
Social security costs	928	809
Other pension costs	411	625
	8,240	7,488

6 Segmental analysis

No segmental analysis is provided as the company only has one distinguishable class of business and operates in a market that is not limited by geographical bounds.

Notes *(continued)*

7 Taxation

	2020 $000	2019 $000
(a) Analysis of charge in the year		
Current tax		
UK corporation tax at 19% (2019: 19%)	5,529	6,860
Adjustment in respect of prior years	53	55
Withholding tax written off	861	749
Total current tax (note 7(b))	6,443	7,664
Deferred taxation arising from the origination and reversal of timing differences	(4)	(7)
Rate change		
Total tax on profit on ordinary activities	6,439	7,657

(b) Factors affecting total tax charge in the year

The current tax assessment for the year is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%)

	2020 $000	2019 $000
The differences are explained below:		
Profit on ordinary activities before taxation	29,479	36,311
Profit on ordinary activities multiplied by the standard rate of corporation tax on the UK of 19% (2019: 19%)	5,601	6,899
Effects of:		
Revaluation of tax liability due to foreign exchange differences	(53)	(49)
Withholding tax written off	861	749
Expenses not deductible for tax	8	10
Adjustments in respect of prior years	53	55
Benefit of Share Options	(31)	(7)
Total tax charge for the year	6,439	7,657

The current rate of 19% effective from 1 April 2017 was enacted on 26 October 2015. A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent.

The deferred tax asset at 31 May 2020 has been calculated based on the rate of 19% substantively enacted as at the balance sheet date.

Notes *(continued)*

8 Debtors

	2020 $000	2019 $000
Due within one year		
Amounts owed by group undertakings	**4,453,738**	3,748,052
Intercompany receivables relating to derivatives	**19,467**	5,926
Other debtors	**10,661**	1,506
Third party receivables relating to derivatives	**3,363**	11,784
Accrued income and prepayments	**15**	19
	4,487,244	3,767,287
Due after more than one year		
Amounts owed by group undertakings	**111,015**	111,445
Intercompany receivables relating to derivatives	**172**	-
Deferred tax asset	**47**	43
Third party receivables relating to derivatives	-	63
	111,234	111,551

$48,452,374 of the amount owed by group undertakings due within one year is treated as subordinated. There is no difference in the treatment of interest payments.

9 Deferred tax

	2020 $000	2019 $000
Balance brought forward	**43**	36
Credit / (charge) to profit and loss	**4**	7
Balance carried forward	**47**	43

10 Creditors

	2020 $000	2019 $000
Due within one year		
Bank loans and overdrafts	**1,000,022**	21,771
Amounts owed to group undertakings	**2,615,293**	3,044,565
Intercompany payables relating to derivatives	**51,344**	65,683
Corporation tax payable	**4,272**	5,303
Other creditors	**47,597**	13,651
Third party payables relating to derivatives	**21,016**	2,445
Accruals and deferred income	**3,133**	2,204
	3,742,677	3,155,622
Due after more than one year		
Amounts owed to group undertakings	**625,000**	625,000
Third party payables relating to derivatives	**1,050**	158
	626,050	625,158

Notes *(continued)*

11 Called up Share Capital

	2020 $000	2019 $000
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each, 25 pence paid *(2017: 50,000)*	**19**	19
4,981,402 ordinary shares of US $1 each, fully paid *(2017: 4,981,402)*	**4,981**	4,981
Shares classified as shareholders' funds	**5,000**	5,000

Capital converted to USD from GBP in 1994 with a rate of US $1.50:£1.

12 Pension

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The scheme was closed to new entrants on 5 April 2006. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by Cargill PLC which is legally responsible for the plan. The Company then recognises a cost equal to its contribution payable for the period. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. The contribution for the year ended 31 May 2020 was $35,329 (2019: $297,035).

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. The contribution for the year ended 31 May 2020 was $375,517 (2019: $328,053). There were no outstanding contributions to the pension scheme at the year end (2019:£ nil).

Notes *(continued)*

13.1 Financial instruments

Classification of financial assets and liabilities 31 May 2020:

	Fair value through profit and loss $000	Loans and receivables $000	Total $000
Amounts owed by group undertakings	-	4,564,753	4,564,753
Intercompany receivables relating to derivatives	19,639	-	19,639
Other debtors	-	10,661	10,661
Third party receivables relating to derivatives	3,363	-	3,363
Cash	-	77,649	77,649
Total financial assets	**23,002**	**4,653,063**	**4,676,065**

	Fair value through profit and loss $000	Loans and receivables $000	Total $000
Amounts owed to group undertakings	-	3,240,293	3,240,293
Intercompany payables relating to derivatives	51,344	-	51,344
Other creditors	-	47,597	47,597
Third party payables relating to derivatives	22,066	-	22,066
Bank loans and overdrafts	-	1,000,022	1,000,022
Total financial liabilities	**73,410**	**4,287,912**	**4,361,322**

Notes *(continued)*

13.1 Financial instruments continued

Classification of financial assets and liabilities 31 May 2019:

	Fair value through profit and loss $000	Loans and receivables $000	Total $000
Amounts owed by group undertakings	-	3,859,497	3,859,497
Intercompany receivables relating to derivatives	5,926	-	5,926
Other debtors	-	1,525	1,525
Third party receivables relating to derivatives	11,827	-	11,827
Cash	-	186,289	186,289
Total financial assets	**17,753**	**4,047,311**	**4,065,064**

	Fair value through profit and loss $000	Loans and receivables $000	Total $000
Amounts owed to group undertakings	-	3,669,565	3,669,565
Intercompany payables relating to derivatives	65,683	-	65,683
Other creditors	-	15,855	15,855
Third party payables relating to derivatives	2,603	-	2,603
Bank loans and overdrafts	-	21,771	21,771
Total financial liabilities	**68,286**	**3,707,191**	**3,775,477**

Basis for determining fair values of financial instruments:

Amounts owed to/by group undertakings and other receivables/payables
The carrying value in the financial statements is the most appropriate approximation of the fair value due to the short-term nature of most of these assets and liabilities.

Cash and Bank loans and overdrafts
The carrying value of cash, bank loans and overdrafts approximates the fair value.

Commercial paper issued
The carrying value of commercial paper approximates the fair value.

Other Creditors
The carrying value of other creditors is the most appropriate approximation of the fair value.

Notes *(continued)*

13.1 Financial instruments continued

Derivatives

The fair value of derivatives is calculated using observable forward foreign exchange curves discounted to present value. These are based on the USD Overnight Index Swaps (OIS) curve.

13.2 Financial estimates – fair value levelling

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
2020				
Assets				
Derivative financial instruments		23,002		23,002
Liabilities				
Derivative financial instruments		(73,410)		(73,410)
2019				
Assets				
Derivative financial instruments		17,753		17,753
Liabilities				
Derivative financial instruments		(68,286)		(68,286)

14 Financial risk management

The principal financial risks facing Cargill Global Funding PLC are liquidity or funding risk, foreign exchange risk, interest rate risk and credit or counterparty risk. The company maintains diverse sources of funding (as described in note 17) to manage liquidity risk. Intercompany guarantees are used to minimise credit risk (as described in note 16). Financial instruments, including derivatives such as currency forwards, currency swaps and interest rate futures, are used to manage the foreign exchange and interest rate risks that arise in the course of business.

Global financial risk management policies are set by Cargill, Incorporated's Financial Risk Committee (FRC). The FRC establishes policy and sets standards governing the assumption and management of these financial risks across the corporation. Its membership comprises Cargill, Incorporated's Chief Financial Officer, the Corporate Treasurer and other senior executives.

Notes *(continued)*

15 Credit risk

The maximum exposure to credit risk is represented by the carrying value of all financial assets. Amounts owed to the company by group undertakings are guaranteed by a Cargill, Incorporated parent guarantee. This guarantee mitigates the company's credit exposure as it ensures the company would be compensated in full by Cargill, Incorporated for any default from a group undertaking. The company's credit exposure to external counterparties is with highly rated financial institutions. Where credit exposure relates to derivative transactions it is subject to Credit Support documentation which allows for collateral to be exchanged between the two parties to minimise risk to an agreed threshold. These same financial institutions also extend credit facilities to the company. The company does not expect any counterparties to be unable to meet their obligations.

16 Liquidity risk

The following are the contractual commitments as of 31 May 2020:

	On demand $000	Up to 6 months $000	6 - 12 months $000	1 - 5 years $000	More than 5 years $000	Total $000
Bank loans and overdrafts	1,000,022	-	-	-	-	**1,000,022**
Amounts owed to group undertakings	2,435,813	179,788	200	625,395	-	**3,241,196**
Intercompany payables relating to derivatives	-	42,970	9,307	(933)	-	**51,344**
Other creditors	40,532	10,198	-	-	-	**50,730**
Third party payables relating to derivatives	-	18,904	2,112	1,050	-	**22,066**
	3,476,367	**251,860**	**11,619**	**625,512**	**-**	**4,365,358**

The following are the contractual commitments as of 31 May 2019:

	On demand $000	Up to 6 months $000	6 - 12 months $000	1 - 5 years $000	More than 5 years $000	Total $000
Bank loans and overdrafts	21,771	-	-	-	-	**21,771**
Amounts owed to group undertakings	2,714,068	338,297	7,521	654,755	-	**3,714,641**
Intercompany payables relating to derivatives	-	56,047	7,580	2,056	-	**65,683**
Other creditors	12,408.00	3,447	-	-	-	**15,855**
Third party payables relating to derivatives	-	(1,730)	4,176	158	-	**2,604**
	2,748,247	**396,061**	**19,277**	**656,969**	**-**	**3,820,554**

Notes *(continued)*

16 Liquidity risk continued

The company is party to a $5 billion commercial paper programme, which it draws upon to meet those borrowing requirements not provided by cash deposits from other group companies. The commercial paper programme is guaranteed by Cargill Incorporated, the company's ultimate parent.

The company is also party to a syndicated committed credit facility, which at 31 May 2020 totalled $5 billion *(2019: $5 billion)*, as backup liquidity to the commercial paper program. It is corporate policy to provide committed backup liquidity for an amount equal to or greater than total commercial paper outstanding at all times.

In addition, the company had a committed funded club facility in place which gave access to $1 billion of committed funds. This facility which was used for working capital funding, expired in March 2020 and was not renewed.

During the year ended 31 May 2020 the substantial part of the borrowing requirements of Cargill Global Funding were met through taking intercompany deposits.

17 Market risk

Foreign exchange risk

Cargill's global foreign exchange risk management policy is set by Cargill, Incorporated's Financial Risk Committee (FRC). The foreign exchange policy ensures uniform treatment of foreign exchange exposures across all business units globally, defines common risk definitions and terminology, standard risk measurement and risk reporting procedures and consistent operating procedures.

i) Transaction Risk
Business units are charged with managing their own transaction risk. In order to minimise the transaction risk faced by the company, the majority of foreign exchange transactions requested by Cargill entities are traded back-to-back with banks by the company.

ii) Translation Risk
The company's net monetary assets are predominantly denominated in US dollars. Balance sheet exposure created by net monetary assets denominated in currencies other than US dollars is hedged using forward exchange transactions and foreign exchange swaps as appropriate.

A 10% strengthening of the US dollar against the following currencies at 31 May 2020 would have increased (decreased) the equity and profit and loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Equity $000	or loss $000
Euro	4,309	4,309
GBP Sterling	(1,023)	(1,023)

A 10% strengthening of the US dollar against the following currencies at 31 May 2019 would have increased (decreased) the equity and profit and loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Equity $000	or loss $000
Euro	(106)	(106)
GBP Sterling	113	113

Notes *(continued)*

17 Market risk continued

A 10% weakening of the US dollar against the above currencies at 31 May 2020 (and at 31 May 2019) would have had an equal but opposite effect on equity and profit and loss, assuming that all other variables remain constant.

Interest rate risk

The majority of the company's external debt requirements are met by short-term commercial paper issued to fund the short-term borrowing requirements of Cargill business units.

18 Capital management

The company is not regulated by the Financial Conduct Authority. The company uses intercompany loans and short term debt to meet its short term working capital requirements. Longer term working capital requirements are met by the company through share capital and profit and loss account.

19 Ultimate holding company and parent undertaking

The company's immediate parent undertaking is Cargill Holdings, which is registered in England and Wales, and its ultimate parent undertaking is Cargill Incorporated, a company incorporated in the USA.

The largest group in which the results of the company are consolidated is that headed by Cargill, Incorporated whose consolidated financial statements are lodged together with Cargill Holdings financial statements at Companies House, Cardiff, UK. No other group financial statements include the results of the company.

20 Related party transactions

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Cargill Group. There are no other related party transactions requiring disclosure.