ED&F MAN
EST. 1783

Annual Report

2017

Source. Store. Process. Trade. Ship. Distribute.

Highlights

- Launched restructuring programme to better align the sugar business with future trading expectations.
- Decision taken to close the Sugat sugar refinery in Israel.
- Invested in food tech company Unavoo to launch a stevia sweetener with the flavour & 'mouth-feel' of sugar.
- Recent coffee capex investment in Uganda performed well in first year of operation.
- Acquired Maviga PLC, a specialist in the origination, processing and supply of dried edible pulses.
- Liquid Products performed profitably in all core areas despite challenging markets.
- Shipping saw a year-on-year 20% rise in activity and recorded a profit.
- Underlying profitability of brokerage business continues to grow strongly.

Tonnages (million metric tonnes)

Sugar

2017	11.23
2016	8.81
2015	10.73
2014	9.56

Liquid products

2017	5.64
2016	5.79
2015	5.10
2014	5.59

Coffee

2017	0.64
2016	0.61
2015	0.54
2014	0.55

Our business at a glance

We source, store, process, ship and distribute agricultural products including sugar, coffee, molasses, animal feed, grains and pulses. We also provide access to commodity and capital markets through our brokerage business.

Established in 1783, ED&F Man today is a predominantly employee-owned company with 7,000 people in 60 countries and annual revenue of over $10 billion (year ended 30 September 2017). Each year we trade 11m bags of coffee, 11m tonnes of sugar and 6m tonnes of animal feed. We work closely with our customers and suppliers and help our counterparties manage price risk through hedging.

Our brokerage business executes orders for institutional investors, hedge fund managers and professional traders across a broad range of products including: futures & options; fixed income securities; equities; energy; base metals; foreign exchange; and OTC and exchange traded agricultural derivatives. We offer trade processing, financing, clearing, execution and agency based electronic and voice brokerage services.

Corporate Social Responsibility is important to the business. We seek to deliver sustainable production, take care to limit the environmental impact of our operations and actively support the communities in which we work. Our five core values define who we are and guide our behaviour: Respect, Integrity, Meritocracy, Client Focus and Entrepreneurship.

Commodity Trading

We source, trade and distribute sugar, coffee, molasses & animal feed, grains and pulses. We span the entire supply chain, from farm to fork.

Industrial Assets

Our asset operations support our vertically integrated sugar business and involve growing, milling, refining, blending and packaging.

ED&F MAN EST. 1783

Shipping

We provide a world-class freight shipping service, both for soft and hard commodity cargoes, via a time charter fleet of bulk carriers.

Capital Markets

Our services encompass trade processing, financing, clearing, execution and agency services.

ED&F MAN in numbers

ED&F Man has
7,000+
employees

From
80+
nationalities

Operating globally
160+
locations

Across
60+
countries

Serving over
15,000+
customers

From over
14,000+
suppliers

11m
tonnes of sugar

6m
tonnes of animal feed

11m
bags of coffee

$10bn+
annual revenue

Our business model

With trading roots dating back to 1783, ED&F Man has a stronger presence in our chosen commodities than most merchants. Our global infrastructure, operational expertise and execution capabilities ensure timely delivery of products of the highest quality standards to buyers all over the world.

Our strategy is to leverage long-standing relationships and, through supply management expertise, add value at every link in the chain. We thereby consolidate our leadership positions and create a springboard for expanding into adjacent markets with shared logistics, channels to market and customers.

We maintain our integrated position in the supply chain through the strategic placement of fixed assets, such as milling, refining and processing operations, warehouses and storage facilities, and inland and port terminals.

These are complemented by select joint ventures that support the company's commercial activities.

This vertical integration approach facilitates trade flows, provides a strong distribution platform and enables the company to capitalise on business opportunities.

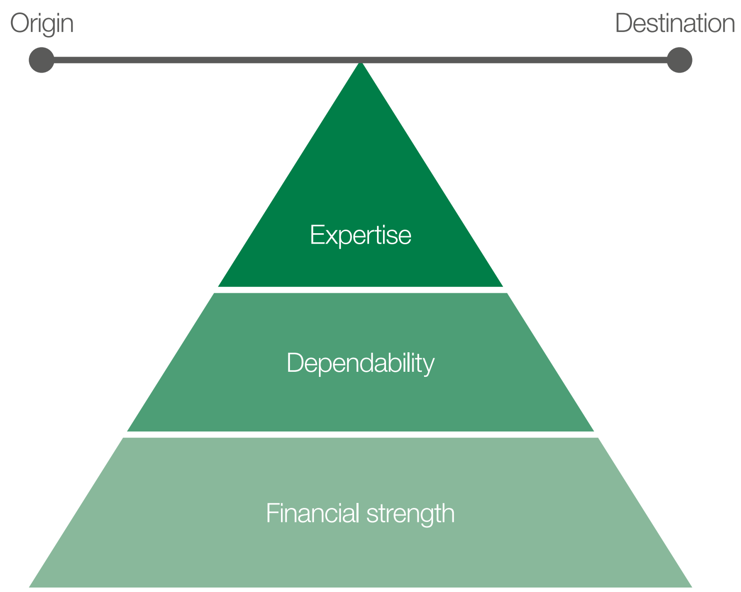
- Strategic placement of fixed assets
- Sustainability and fully certified supply chains
- Cross-commodity platforms to optimise synergies
- Focus on talent attraction, retention and succession
- Investment in IT infrastructure and systems

Digitisation opportunities

In theory, digitisation is making it easier for farmers to sell direct to end customers, potentially removing several stages from the supply chain. In practice, the barriers to disintermediation are still very high in agricultural commodities. In return for modest margins, ED&F Man takes on risk (quality, price, counterparty) and provides a host of added value services – from education and research to shipping and warehousing – that cannot easily be replicated and fills the void between origin and destination.

The direct to market approach is best suited to low volume, high margin and relatively non-perishable commodities such as specialty coffee. ED&F Man is responding to this trend by developing new channels such as the Genuine Origin e-channel in the USA, which gives small-scale 'neighbourhood' roasters across the USA access to green coffee beans in small batches direct from 20,000 specialty growers in 11 countries around the world.

Genuine Origin is an efficient and effective way to pack, ship and deliver all of the freshness of origin directly to their door. There is no need for buyers to order more than they need — and risk some going stale — or to financially overextend themselves to offer a variety of coffees. They can order online with clear pricing, easy shipping, no minimums and no contracts.



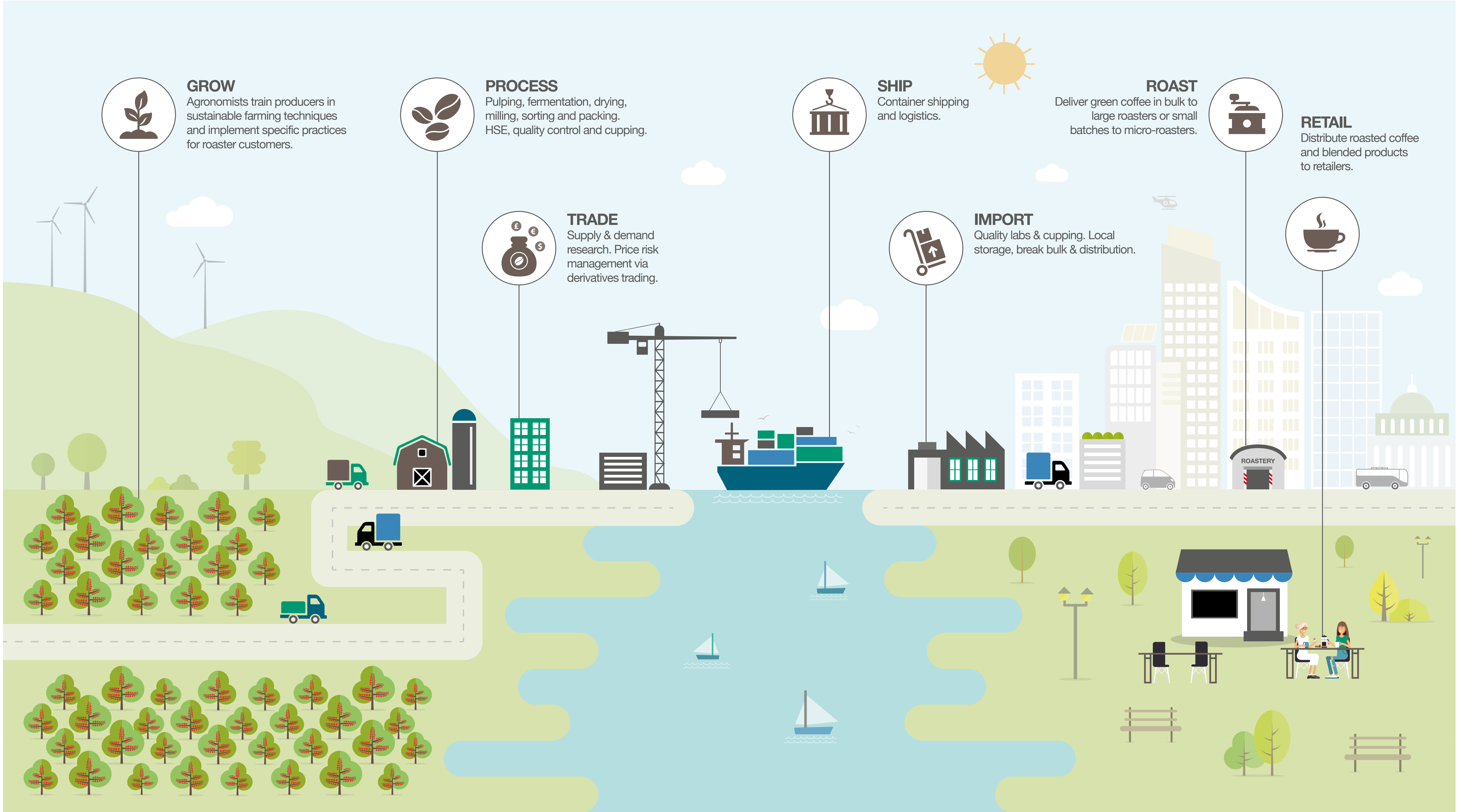
The ED&F Man value-add triangle is pivotal in the supply chain

Expertise
- Extensive logistics infrastructure & know-how
- World class shipping team & charter fleet
- In-house agronomists & sustainability experts
- Incisive and timely proprietary research

Dependability
- Historical relationships built on trust
- Strong presence and influence in origin countries
- Long-term support for farming communities
- Product quality and certification guaranteed

Financial strength
- Entrepreneurial and agile contract agreements
- Robust risk management and hedging services
- Competitive credit terms for counterparties
- Complementary financial services & brokerage

ED&F Man's role in the coffee supply chain



ED&F Man takes a holistic approach to the supply chain. The Group adds most value through its trading and marketing activities and uses the value generated to invest back into farming communities, such as the Volcafe Way outreach programme, and to provide services such as research and price risk management.

Chairman's statement

Dear Fellow Shareholder

The year under review has seen some of the toughest trading conditions in our Group's history, yielding financial results that at best can be described as disappointing. Our underlying business results were characterised by significant under-performance in our Sugar and Grains businesses, both of which have since been subject to strategic reviews and restructuring. In addition, as previously communicated to shareholders and lenders, the Group was the victim of a transaction involving fraudulent warehouse receipts, resulting in significant losses.

This has occurred against the background of an economy that has been sluggish in recovering from the global recession and political uncertainty, both domestically and globally. In addition, the Group's heavy dependence on agricultural markets means it is at the mercy of global weather patterns and the past year did not treat us well in key geographic regions. As a result the Group has incurred a pre-tax loss of $145 million.

Senior management and divisional restructuring

Since year-end, Phil Howell, who served as Group CEO for the past three years and was an Executive Director of the Board, has left the Group. Phil played an important role in the management buyout of 2000 and led several important company transactions and initiatives as a member of our senior executive team and Board of Directors.

In order to ensure continuity, and to lead the Group through the next phase of growth and development, the Board has asked me to assume the role of Group Executive Chairman, which I have accepted. I will focus on leading the Sugar business, including trading and industrial assets, and the Grains unit where our businesses require stabilisation and a return to profitability. Laurie Foulds, previously Group Chief Financial Officer, has assumed the newly created role of Group Chief Operating Officer and has taken responsibility for leading our Coffee, Liquid Products, Pulses and Shipping businesses, whilst retaining responsibility for Risk, Legal, Research, HSE and Corporate Development for the wider Group. Michael Broom has been appointed Group Finance Director. Michael joined in 2016 and has significant experience in leading the Finance function in global commodity companies.

These changes are intended to reinforce the Group's strategic plans, delivering the restructuring of our Sugar and Grains businesses. We have established working groups to focus on placing those businesses on a firm footing going forward. This process is intended to result in cost reductions and efficiency improvements, and regrettably will include a headcount reduction in certain under-performing areas.

Metals incident

As previously communicated to both lenders and shareholders, during the year the Brokerage business entered into agreements with a specific Counterparty to sell metal inventories, backed by warehouse receipts.

> "I expect the measures we are taking now will strengthen the Group and create a robust platform for more consistent performance and future growth."

Following the sales it became apparent that both the Brokerage business and the Counterparty had transacted on the basis of invalid warehouse receipts supplied by a third party. The Group has entered into a settlement agreement with the Counterparty under which, in return for a waiver of all potential claims between Brokerage and the Counterparty, the parties will jointly pursue recovery of the value of the metal inventories against the original suppliers of the warehouse receipts, any other parties involved and any relevant insurances. This has resulted in a significant hit to our financial results.

Whilst this is an extremely unfortunate incident, I am pleased to report the decisive action taken by senior management resulted in limiting the financial impact on shareholders and curtailing damage to the Group's reputation. The specific business line where the loss was incurred was closed immediately. In addition, a full risk review has been conducted and remedial actions are either under way or have been executed. Our focus is now on maximising recoveries and third party experts have been engaged.

COFFEE

One of the world's largest traders of arabica and robusta coffees, from single origin micro-lots to mainstream commercial grades and customised blends.

Chairman's statement continued

Coffee

During 2016/17 the global coffee market was in a small deficit, with a surplus in Arabica offset by a large deficit in Robusta. NY Arabica prices gravitated lower for much of the season from a high of 175c/lb early in the season during November, all the way to a low of 115c/lb in June. Roasters scaled up their coverage during the price collapse, resulting in a gradual build-up in stock levels at destination. The trend was amplified by funds maintaining for the most part a net short position on NY Arabica futures. By comparison, in Robusta, where poor crops in Vietnam and Brazil had led to a large deficit market in 2016/17, funds were mostly net long Robusta futures, resulting in generally elevated and less volatile pricing.

Despite these challenging market conditions, our Coffee business performed well, which gives us confidence in how robust our business model is. Our strength at origin was boosted by strong results in Uganda where operations benefited from a bumper crop and the mill commissioned in 2015 being able to take a large share of the crop.

At the other end of the chain, our merchanting operations achieved strong results by matching sophisticated customer demand for high-end coffee locations such as Australia, Japan and Italy.

Liquid Products

Expanded supplies of beet molasses in Europe and the US adversely impacted cane molasses' imports and margin structure. In addition, the availability of cheaper feed ingredients meant the market was over-supplied.

Despite these market challenges and an unseasonably mild winter in Europe, our Molasses business has continued to perform well, again giving us confidence in our underlying business model. The business has carved a particularly strong position in the rum and yeast markets.

In the past couple of years, our animal feed strategy has been to expand in niche businesses, such as beet pulp pellets, which has complemented our established presence and extensive storage infrastructure in key markets where we enjoy significant market share.

Sugar

The 2016/17 crop year represented the last of the two-year deficit in the global sugar market. It was also the year before the EU production quotas were lifted; the anticipation of the rebound in production led to funds taking profit on their long positions in the futures market. From a high of 23c/lb at the beginning of the season, NY raw sugar prices fell to below 13c/lb by July, as funds started to go short. At the same time, a weak domestic ethanol market in Brazil led to a much higher amount of cane going into sugar production. This resulted in larger Brazilian exports, which helped compensate for relatively tighter markets in India and Thailand. The expectation of surplus market conditions in 2017/18 since then led to a sluggish trading environment, with prices in the 12-15c/lb range.

The challenging market conditions and compressed physical margins across several local markets has resulted in very disappointing financial outcomes and, as mentioned above, Sugar operations are under review to align them more closely with current market dynamics.

With shrinking premiums and the deregulation of the EU Sugar market, we made the difficult decision to close the Sugat refinery in Israel. The influx of sugar from EU countries has put downward pressure on white premiums and we expect this to continue for the foreseeable future. We will continue to market and distribute sugar in Israel to leverage off Sugat's strong brand presence.

Our view that the downward pressure on white premiums in India will continue for the foreseeable future has led us to adjust down the carrying value of our financial interest in Uniworld Sugars, our Indian joint venture.

The Sugar Assets business has been through a tough couple of years and turnaround plans are under way. Whilst there has been some improvement, progress against these turnaround plans is behind schedule.

In Mexico, our joint venture, Azucar Grupo Saenz ('AGS'), has faced significant challenges in recent years. Success for this business is heavily dependent on ensuring productivity levels are as high as possible to cover its largely fixed costs base. Over the past 18 months, the mills have been upgraded to increase capacity, which has resulted in significant operational improvements. Weather conditions were not in our favour during the last few weeks of the harvest and the drought in this region meant volumes were lower than anticipated, and the sucrose content in the cane was low. As a result, cane volumes fell short and once again, losses have been incurred. Management are targeting utilisation increase in the 2018 crop.

Chairman's statement continued

Pulses

In January 2017, the Group acquired Maviga PLC, one of the leading specialists in the origination, processing and supply of dried edible pulses and other specialty crops such as sesame seeds. Maviga annually originates, processes and ships approximately a quarter of a million tonnes of bagged or bulk containerised products from over 35 origins to industrial end users and import distributors in more than 60 destination markets around the world. This acquisition will enable us to participate in the anticipated growth in demand for pulses as an economical, sustainable and healthy food source and also leverage off synergies with existing supply chain businesses within the Group.

Shipping

I am pleased to say that for the first time in seven years, the shipping market is on an upward trend. In fact out of all the markets we are involved in, this is the only one which saw recovery this year. The strong pace of bulk commodity imports into China, combined with the effects of bumper grains, resulted in increased ship-owner confidence and much improved market conditions. As a result, our Shipping business saw a rise in trading activity of almost 20% and recorded a profit for the year.

Brokerage (Capital Markets)

Excluding the Metals incident referred to above, our underlying Brokerage business continues to prosper. ED&F Man Capital Markets fills a gap in the sector for mid-market clients and has a solid client base, providing opportunities to cross-sell multiple products and services. Businesses on-boarded in the last 18 months are gaining momentum and are returning positive bottom lines. Building an independent financing platform for the Brokerage business is progressing with the addition of a $100m credit facility from a small club of US banks.

Bank syndication and liquidity

We successfully completed our latest syndicated bank financing, raising a total of US$2.1 billion spread between 364-day and 3 year maturities, and continue to enjoy comfortable availability under our committed credit facilities which total US$3.4 billion (including our long-term debt).

Despite the hardships faced by the Group during the past financial year and the losses incurred, the Group Balance Sheet and liquidity position remain strong and we remain compliant with all financial covenants.

Board changes

In December 2016, Molly Harvey, our Deputy Chairman, stepped down from the Board after 32 years with the Group. Molly was Group Treasurer from 1984 until 2010, when she became a non-executive director, including three years as Chairman (2011-14). We thank Molly for her dedicated service and wish her all the best in the future.

As mentioned previously since year end, Phil Howell has also left the Group.

Corporate Social Responsibility (CSR)

We operate in around 60 countries and are proud to plan an ever-increasing focus on CSR initiatives. Our Group is well aware that CSR is of great importance to our customers, to our suppliers, our liquidity providers, and not least, our employees. Our CSR policy supports the UN's Declaration of Human Rights and ILO's labour standards. It will also help us achieve the UN's sustainable development goals. Having set out our CSR policy's ambitions, principles and priorities last year, we have now further integrated them into our business units. Please refer to the CSR statement for further information.

Looking forward

The past twelve months have been the most challenging the Group has ever faced. Whilst the decisions to restructure under-performing divisions have not been easy decisions to make, I expect the measures we are taking now will strengthen the Group and create a robust platform for more consistent performance and future growth.

I would like to thank my Board colleagues for their support and also the Group's talented employees for their continued dedication during these uncertain times.

Yours sincerely

Rafael Muguiro

Executive Chairman

Introducing Maviga

Top quality leguminous products

ED&F Man's pulses business, trading as Maviga, is a leading player in the international origination, processing and trading of dry edible pulses, seeds and other specialty crops.

We work closely with farmers at point of production and use manual, mechanical and electronic sorting methods to precision clean and size material before it is packed and shipped to buyers. We put great emphasis on product quality, performance integrity and service commitment.

We own or operate processing facilities in over 35 origins and ship to over 60 destination markets around the world. With a strong presence in the major 'special crops' production areas of North America, Europe and Africa, we are able to provide buyers with reliable and timely information, enabling them to make sound purchase decisions.

PULSES

Maviga trades peas, beans, lentils , chickpeas and other agricultural special crops such as sesame seeds and raw cashew nuts.

Corporate social responsibility and sustainability

For full details on our corporate social responsibility (CSR) policies, strategy and performance, please see the CSR section on www.edfman.com.

A symbiotic sustainability model

As an agricultural commodity trader, ED&F Man is dependent upon continuity of supply. It is therefore in our interests to endorse sustainable agronomy practices and to combat climate change, which can have a destructive impact on crops. Projected increases in temperature, changes in precipitation patterns, extreme weather events, and shortage of water all have an adverse effect on agricultural productivity.

Farming is not just about crops, but about the people who cultivate, nurture and harvest them. It is mutually beneficial for us to support farming communities by providing education, training and investment, which all help to ensure prosperity – and combat poverty, rural flight and urbanisation – thereby protecting our sources of supply.

Our customers, driven by ever more discerning end consumers, expect that we demonstrate fair, responsible and sustainable business practices. They want to be able to track and trace the goods they buy from us and their standards are becoming increasingly stringent. By complying with these high standards, ED&F Man both protects our trading revenues and invests back into the growing communities in which we work.

At ED&F Man, corporate social responsibility and sustainability is much more than just a programme. It is integral to who we are and how we do business. It is inherent in our culture and values, ingrained in our commercial strategy and daily operations, and championed in every part of our organisation across the globe.

Our focal areas

Our CSR policy aims to support responsible growth. We have assessed the material issues of most importance to ED&F Man and our stakeholders and continuously review priorities in the context of our changing business.

We focus resources in four areas where we can effect meaningful change by reducing negative impact and increasing positive impact: Environment, Marketplace, Workplace and Society. The policy states our chief ambitions and principles, emphasising that good practices in one area do not offset harm in another. It also outlines priorities for each of the four focal areas, relating them to each business activity: commodity trading, asset operations, shipping and capital markets.

Environment

We are committed to protecting the environment and minimising any adverse effect of our operations. We are taking steps to reduce the amount of carbon dioxide (CO_2) we produce and our carbon footprint, by reducing the amount of energy we use. This reduces costs, limits the damaging effect we have on the environment and contributes to our efforts to be a responsible member of the communities in which we work.

THE VOLCAFE WAY

Our unique farmer outreach programme supports coffee producers on three continents.

Marketplace

We are committed to bringing safe products of agreed quality to our customers. We work ethically in line with our Standards of Business Conduct. We also partner with our suppliers to act in line with our CSR commitments and actively take part in creating or expanding sustainable supply chains.

Workplace

We recognise that the success of our business depends on us having highly talented employees. We respect human rights and progressive labour practices and are committed to ensure that our offices and industrial assets are safe and meet all legal requirements.

Society

We play an active role in the community. Philanthropy and volunteering are part of our culture, and our employees make a difference through their involvement in local and corporate community activities. Our businesses support local projects, where activities focus on education, health, society and the provision of emergency aid. We are committed to being a responsible member of society, building strong relationships with local communities and complying with all local laws. By doing so we are improving local standards of living and helping local economies.

Charitable giving

The Charitable Donations Committee, Charico, manages the Group's charitable funds. Charico supports activities that improve socio-economic conditions for the communities in which we operate, focusing on the most vulnerable members of society. We do not offer funds for projects run by large national or international charities. Instead, we prefer to concentrate on those countries where ED&F Man has operations and we like our employees to take ownership of the projects. Our role is to bring people, expertise and finance together. The projects we support are wide ranging: from building schools, funding healthcare facilities and providing sustainable farming education, to improving local housing, donating emergency aid and stimulating cultural activities. Charico has formal processes in place to review proposals, select those that match our criteria and support implementation.

Our Charitable Donations budget is split into two different initiatives, both favouring employee involvement.

Firstly, we match employee fundraising up to an agreed amount. Activities may involve being sponsored for sporting challenges in aid of medical charities, or taking part in fundraising events, such as raffles or bake sales to raise money for those in need.

Secondly, we support charitable work in our host communities, focusing on deserving causes where we can make a tangible difference. In the past, employees in South America and Asia have rolled up their sleeves to refurbish schools in disadvantaged communities, colleagues all over the world have contributed to healthcare improvement schemes in sugar or coffee growing regions, and volunteers in cities like London and New York have given up their time to help the homeless or elderly. Some examples of the help we provided during the financial year ended 30 September 2017 include:

- In response to the 2016 Earthquake in Ecuador, we raised enough money through the ED&F Man Relief Fund to build two houses for displaced families.
- We also raised funds in the wake of hurricane Matthew which enabled us to rebuild a school and provide a fresh water well in a devastated part of Haiti.
- Our fundraising and donations have enabled lifesaving heart surgery for four children, flown to a specialist hospital in New Orleans. So far through the charity called 'HeartGift' we have supported seventeen children from countries across the world where such surgery is unavailable.
- In April ED&F Man employees once again entered a team to run the London marathon. They raised money for Children with Cancer, a charity dedicated to the fight against all childhood cancers. The company contributed $27,000 to match their fundraising efforts this year. Over thirteen years the team have raised almost $900,000 for the charity.
- The horrifying terrorist attacks at London Bridge in June 2017 happened immediately outside our headquarters office. As well as the emotional impact, the incident threatened the livelihoods of traders in neighbouring Borough Market after the area was closed for some time. We contributed to the Traders Support Fund to help the worst affected and worked with the Borough Market management team to run a vouchers scheme to help rebuild the local economy.

$900k
raised to date for Children with Cancer.

Strategic report
for the year ended 30 September 2017

Principal activities, business review and future developments

We source, store, process, ship and distribute agricultural products including sugar, coffee, molasses, animal feed, grains and pulses. We also provide access to commodity and capital markets through our brokerage business.

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The Group's business activities, future developments and performance measurements are set out below. The liquidity position of the Group and borrowing facilities are described in notes 18 and 19 to the financial statements. Note 19 also describes the Group's financial risk management objectives and policies, and details its financial instruments and hedging activities, and exposures to credit risk and liquidity risk.

The Board monitors performance on an on-going basis. The key performance indicators are considered to be Gross Profit, Profit before Tax and Return on Shareholders' Funds.

	30 September 2017 $m	30 September 2016 $m
Gross Profit	**453.0**	685.3
(Loss)/Profit for the year before tax	**(144.6)**	101.9
Shareholders' Funds at beginning of the accounting period	**932.4**	899.7
Return on Shareholders' Funds	**(15%)**	11%

Overall, it has been a very challenging year for the Group with the Sugar and Grains businesses suffering disappointing losses. Coffee, Liquid Products, Pulses and Shipping all made positive contributions to the financial results. Our underlying Brokerage business had a strong year, however, was the victim of a transaction involving fraudulent warehouse receipts. The effect of the recognition of the settlement agreement on the Group's result was a pre-tax loss of $83.9 million (refer to Note 4 for further details).

The Group assesses many opportunities and strategies during each year, and all key strategic decisions are reviewed and approved by the Board prior to execution.

In January 2017, the Group acquired Maviga PLC, one of the leading international specialists in the origination, processing and supply of dried edible pulses and other speciality crops such as sesame seeds. The Group views this as an opportunity to participate in the growth of this important segment and will be able to provide Maviga with investment capital for both continued organic growth and acquisitions (refer to Note 13 for further details).

Since the integration of our Brokerage business in 2012, the nature of its activities has had a significant impact on the shape of our Group Balance Sheet. The Group's total assets ended the year at $18.0 billion (2016: $18.7 billion), of which $14.3 billion (2016: $14.9 billion) related to Brokerage. The most important driver of the movement in gross assets is the ongoing success of our US brokerage operations, where our Fixed Income Clearing Corporation (FICC) broking activities operate a facilitation business offering large institutional clients access to the FICC to clear securities repurchase and reverse repurchase transactions relating to US government and agency securities. While such arrangements, including the associated liabilities, are stated gross on our balance sheet, representing $9.9 billion or 57% of gross current assets (2016: $9.4 billion or 53%), they are essentially fully-collateralised, self-liquidating arrangements where we act as a conduit for our clients to access the FICC.

The Group ended the year in a position of strong liquidity, with sufficient levels of accessible resources to support ongoing activities. This comprised:

	30 September 2017 $m	30 September 2016 $m
Undrawn facilities	**1,701.0**	1,084.7
Cash and cash equivalents	**672.1**	990.1
Readily marketable inventories	**889.5**	1,282.7
	3,262.6	3,357.5

We define readily marketable inventories as inventory:
- that is not held for processing into a more value-added product; and
- its liquidation for reducing debt would not significantly harm the business franchise; and
- either:
  - the value of the inventory is hedged on highly liquid exchanges; or
  - the inventory is presold under sale contracts with high-quality counterparties, futures or forward contracts; or
  - when not covered by sales contracts, futures or forwards, inventory that could be liquidated in an orderly fashion within 60 days, without incurring material losses.

SUGAR

We began trading sugar in 1783, the year before James Man secured the Royal Navy 'rum tot' contract. Today we source or process raw, white and specialty sugars from over 40 producing countries.

Financial risk management

The Group's businesses carry a number of risks and uncertainties including fluctuations in commodity prices, counterparty risks, country risks and operational risks which include freight, insurance and legal risks in different jurisdictions – the Group has a presence in around 60 countries.

The Group mitigates these risks through hedging on futures markets where appropriate, by employing dedicated in-house legal and insurance professionals and through the operation of the Group Risk Committee (GRC).

The GRC operates under delegated authorities to oversee the management of all risks and is responsible for approving risk limits and for overseeing adherence to those limits throughout the Group. The responsibilities of the GRC include establishing policies and procedures, setting limits, managing risks and reviewing actual and potential exposures arising from the Group's operations and ensuring compliance with the risk control framework of the Group. The GRC provides assurance to the Board that the Group's credit and market risk exposures are governed by appropriate policies and procedures, and that risks are identified, measured and managed in accordance with established Group policies.

The Group's Treasury function is responsible for the management of liquidity risk, including funding, settlements and related policies and processes. The policies for managing each of these risks are summarised in Note 19: Financial instruments and financial risk management.

Although no system of risk management and internal control can provide absolute assurance against material misstatement or loss, the Group's risk management framework and associated governance arrangements are designed to ensure that there is a clear organisational structure with well defined, transparent and consistent lines of responsibility and effective processes to identify, report, monitor and manage risks to which the Group is, or might become, exposed. A key priority of the risk and control framework is to allow business opportunities to be exploited, while maintaining an appropriate balance of risk and reward.

In common with most large organisations, the Group's risk management framework is based on the 'three lines of defence' model:

First line of defence: the Group's operational management has ownership, responsibility and accountability for assessing, controlling and mitigating risks.

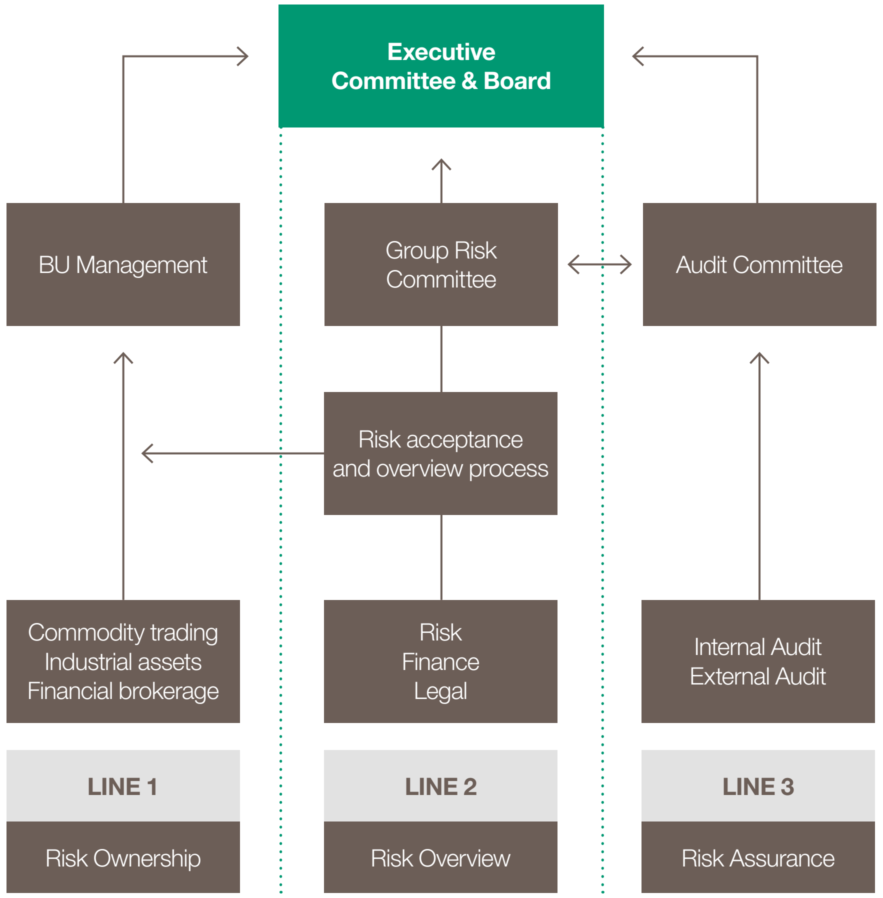
Second line of defence: the Risk function, together with Finance (including Treasury) and Legal, facilitates and monitors the implementation of effective risk management practices by operational management, oversees risk at Group level and assists the risk owners in reporting adequate risk related information up and down the organisation.

Third line of defence: the internal audit function, reporting through the Audit Committee, provides assurance to the Executive Committee and Board on the effectiveness of the Group's risk management and internal control arrangements.

This Strategic Report was approved by the Board of Directors on 1 December 2017 and signed on its behalf by:

Laurie Foulds
Chief Operating Officer

Three lines of defence model



Directors' report

The directors present their report and audited financial statements for the year to 30 September 2017.

Results and dividends

The audited financial statements of the Group and the Company are shown on pages 29 to 69.

The loss after taxation attributable to owners of the Group for the year to 30 September 2017 amounted to $152.0 million (2016: Profit $73.2 million). The directors do not recommend the payment of an ordinary dividend (2016: $Nil). During the year a preference dividend of $5.8 million was paid (2016: $11.3 million). Dividend per preference share was $0.09 (2016: $0.25). The preference dividends paid during the year were in relation to profits made in the year ending 30 September 2016.

The financial statements are prepared in United States Dollars as this is the currency in which the majority of the Group's trading transactions are denominated.

The financial statements of the parent company on pages 67 to 69 have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework." Under this standard the financial statements have been prepared by applying a financial reporting framework based on the recognition and measurement requirements of EU-adopted IFRS, as amended where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, but with reduced disclosure requirements, on the basis that equivalent disclosures have been made in the consolidated financial statements of the Group.

Financial risks and future developments

The directors have chosen to include information on financial risks and future developments in their Strategic Report.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Regular consultation with employees or their representatives continues at all levels, with the aim of ensuring their views are taken into account when decisions are made which are likely to affect their interests. The policy of providing employees with information about the Group has been continued through Group-wide newsletters in which employees have been encouraged to present their suggestions and views on the Group's performance. Employees participate directly in the success of the business through the Group's employee trusts and share option schemes.

Donations

During the year the Group made charitable donations of $0.5 million and no political donations.

Charitable donations are described further on page 15.

Directors

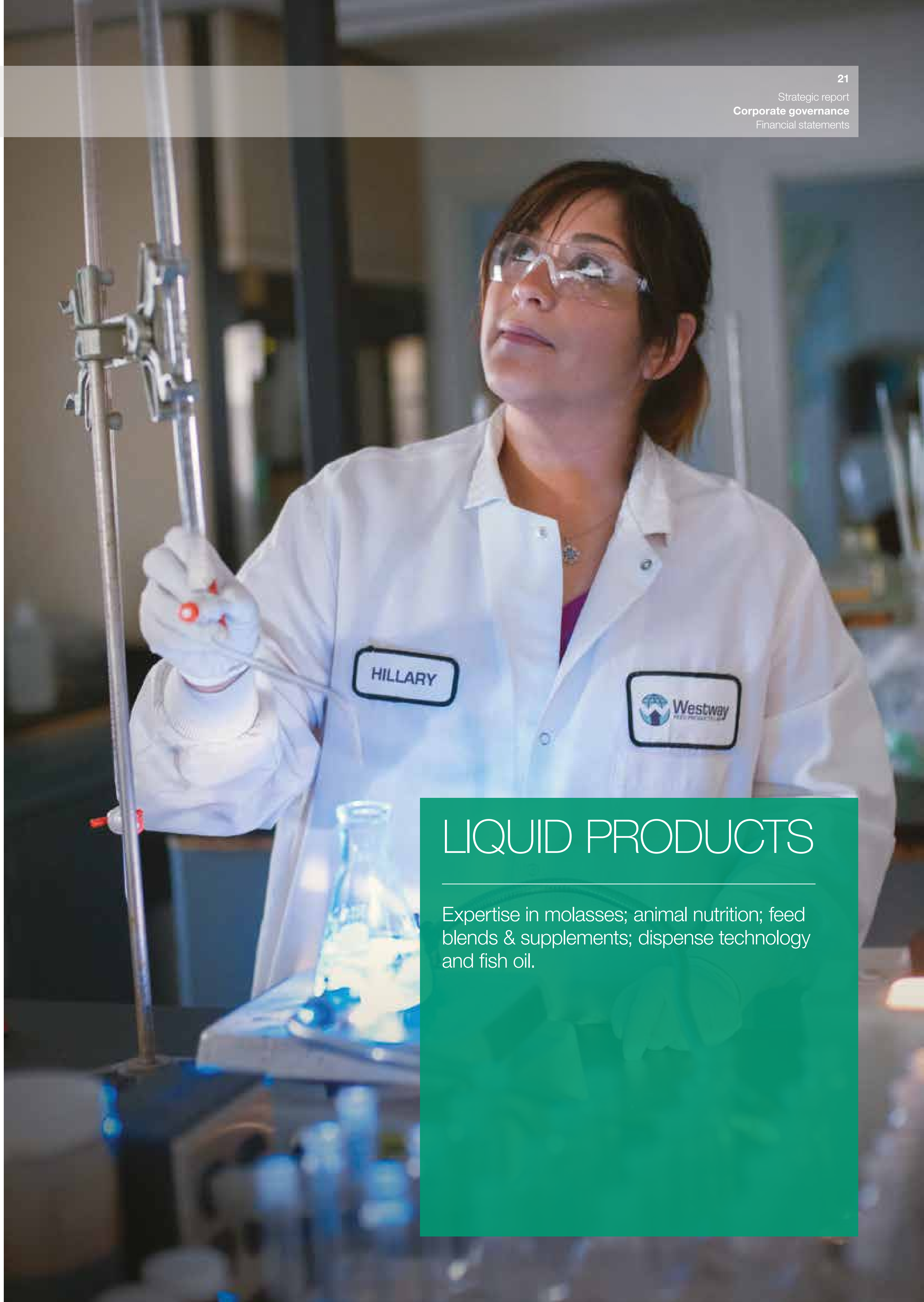
The Board consists principally of non-executive directors.

The directors who held office during the year were as follows:

Mr Rafael Fernando Muguiro
Mr Philip Adrian Howell
(until 22 November 2017)
Mr Mark Heynes Daniell
Mr Laurie Peter Adrian Foulds
Mrs Mary Wilhelmina Harvey
(until 5 December 2016)
Dr Wolfgang Helmut Heer
Mr Thomas Kölbl
Mr Ross George Reason
Mr Daniel Howard Rosenblum
(until 27 October 2016)
Mr Niels Vesterdal

Disclosure of information to auditors

To the best of the directors' knowledge, there is no relevant audit information of which the Company's auditors are unaware. The directors have also taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are also aware of that information.



LIQUID PRODUCTS

Expertise in molasses; animal nutrition; feed blends & supplements; dispense technology and fish oil.

Directors' report continued

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements, in accordance with International Financial Reporting Standards as adopted by the European Union for the Group and FRS101 for the parent company's financial statements.

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

- select suitable accounting policies that have been used and applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that they have complied with these requirements.

Going concern

As highlighted in note 19 to the financial statements, the Group meets its day-to-day working capital requirements through various sources of short and medium-term finance. Facilities of $2,130 million are due for renewal in 2018. The Group's banks have provided committed loan facilities for many years. Discussions have commenced with these banks to renew facilities at the levels required to maintain the Group's business. These discussions have not revealed any matters which would suggest that renewal may not be forthcoming on acceptable terms and at acceptable levels.

Based on discussions with the Group's banks and projected cash requirements, the directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Indemnity

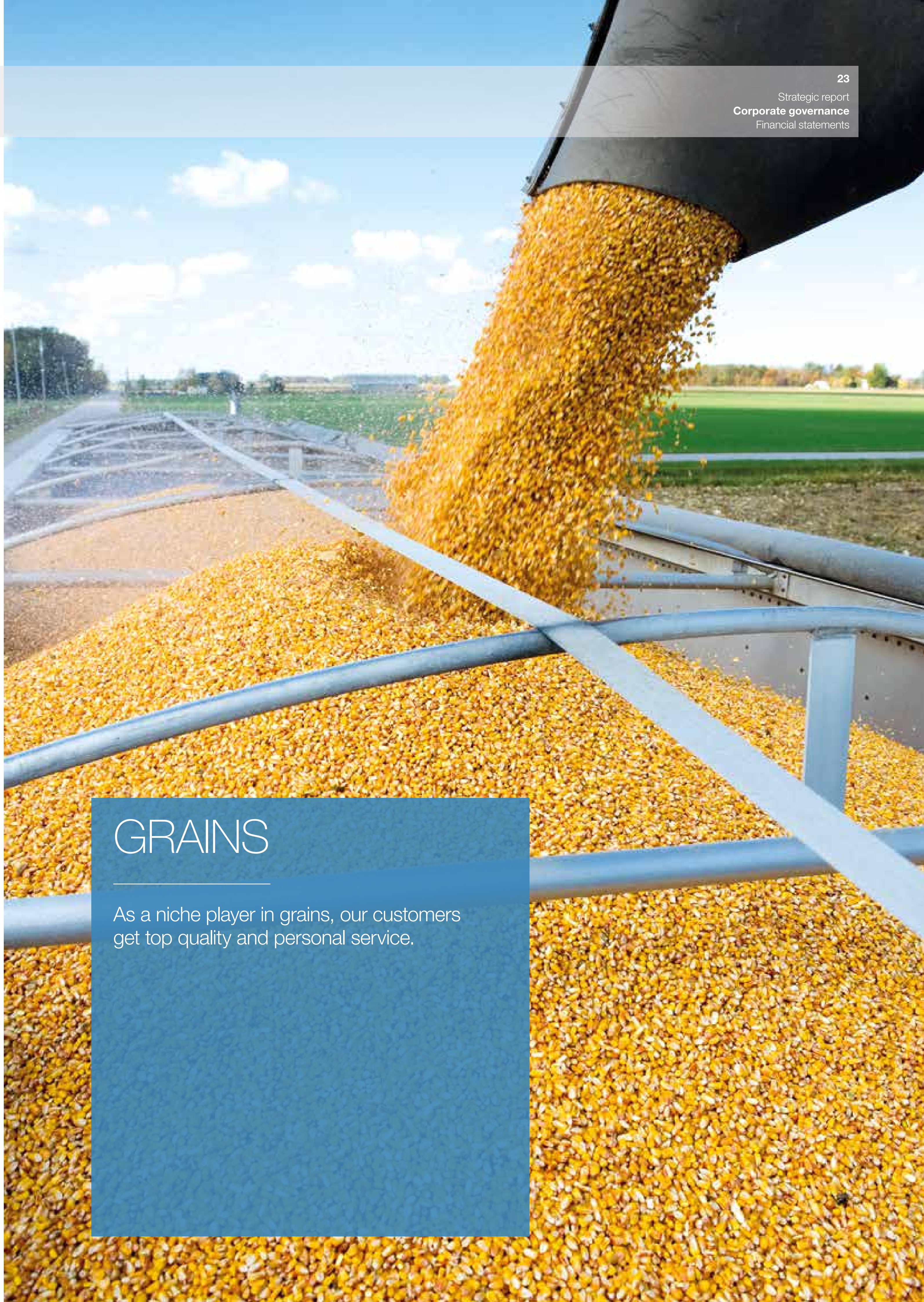
During the period under review, the Company had in force an indemnity provision in favour of one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006.

Auditor

Ernst & Young LLP will be deemed re-appointed as the Company's auditor in accordance with section 487(2) Companies Act 2006.

By order of the Board

Richard Askew
Secretary
1 December 2017



Executive team

1. Rafael Muguiro
Group Executive Chairman
Rafael assumed the role of executive chairman in October 2017, having been non-executive chairman since January 2014. Prior to that he held the role of CEO since 2003. He joined ED&F Man in 1979 and held positions in Paris, Latin America and London.

From 1992 to 1997 Rafael, a dual Spanish/British citizen, spent a period working in Spain as managing director of Tabacalera and executive chairman of CDF. During this time he also served as non-executive director on the boards of Phillip Morris, British American Tobacco and Ebro Puleva

2. Laurie Foulds
Group Chief Operating Officer
Laurie was appointed Group COO in October 2017, having held the role of CFO since 2010. He has substantial experience in risk management, corporate finance and treasury gained over 14 years with General Motors Corporation, most recently as executive director of finance at GM Europe in Zurich, where he focused on sales, marketing and brand operations.

Before that he was in charge of treasury for Europe, with responsibility for core treasury, risk management and corporate finance activities for Europe. He also held positions in Brussels and New York.

3. Christopher Smith
Managing Director – Financial Services
Christopher was appointed managing director of financial services in 2014. He joined the group in 2011 to lead the expansion of Man Capital Markets.

Formerly, Christopher was global chief operating officer and deputy CEO of Man Financial (2000-08) and a main board director of publicly quoted MF Global until 2008. As COO, Christopher was responsible for operations, information technology, risk and credit. Before that he was managing director of Man Financial's London office and spent 14 years on the company's global executive committee.

4. Stuart Reed
Group Chief People Officer
Stuart was appointed chief people officer in 2010. Before joining ED&F Man he was senior vice president of human resources at Cargill in Switzerland, responsible for the global commodity trading, financial services, ocean transportation, industrial and energy businesses. He was also a member of Cargill's global human resources leadership team, a member of the board of directors for Cargill International and regional director for EMEA.

Stuart was previously CHRO at Serono International, based in Switzerland, and held senior HR positions at Hewlett Packard and Honeywell.

5. Michael Broom
Group Finance Director
Michael was appointed Group finance director in October 2017. He joined ED&F Man in 2016 as director of corporate financial services, responsible for the treasury, tax, financial reporting and technology functions. Previously, he held finance director roles in global commodities companies including Stemcor, leading their restructuring, and Tate & Lyle's International trading division. His experience includes trade finance, risk management and turnaround.

A citizen of New Zealand, Michael spent his early career working in various commodity finance roles in the UK, Switzerland and New Zealand.

The Board and its Committees

The Board
The Board sets the strategic direction for the Group. It agrees the Group's vision and direction and sets risk parameters in consultation with the Executive Committee.

Board members:

- Rafael Muguiro – Group Executive Chairman
- Ross Reason – Non-Executive Director – Deputy Chairman since November 2017
- Laurie Foulds – Group Chief Operating Officer
- Dr Wolfgang Heer – Non-Executive Director[1]
- Thomas Kölbl – Non-Executive Director[1]
- Dr Mark Daniell – Non-Executive Director
- Niels Vesterdal – Non-Executive Director

1 Südzucker shareholder appointees

Executive Committee
The Executive Committee is responsible for strategic direction, policy determination, M&A project approval, capital planning, approval of budgets and operational expenses, appointment of advisors, Human Resource policies, reward management and communications across the Group.

Members include the Executive Chairman (chair), Chief Operating Officer, Finance Director, Chief People Officer and Managing Director Financial Services.

The management committees – **Commodities Committee** and **Financial Committee** – have operational responsibility for their respective businesses including performance monitoring, capex approvals and monitoring, subsidiary and JV capital planning, HR staffing, compensation and talent.

Audit Committee
The Audit Committee is responsible for oversight of the financial reporting process, selection of the independent auditor, and receipt of audit results both internal and external.

The Audit Committee meets quarterly and the membership is made up of three Non-Executive Directors of the Board. Attendees of the Audit Committee include the Chief Operating Officer, Group Finance Director, Head of Internal Audit and the External Auditor. The Group Head of Risk attends one meeting per year.

Group Risk Committee
The Risk Committee assists the Board in its oversight of business risk, with particular focus on the Group's risk appetite, risk profile and the effectiveness of the Group's risk management framework and compliance.

Members include the Chief Operating Officer (chair), Executive Chairman, Group Finance Director, Group Head of Risk and Senior Advisor to the Executive Chairman.

CSR Steering Committee
The CSR Steering Committee supports the Board by overseeing the Group's CSR programme and policy. It formulates our CSR principles, monitors CSR trends and issues, reviews our priorities and ensures we meet our goals and commitments.

Members include the Executive Chairman (chair), Chief People Officer, Head of Research, representatives from each business and members of the CSR, Sustainability, Communications, and Treasury functions.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee assists the Board with setting remuneration policy for the Group including bonus pool schemes and remuneration for Executive Directors, heads of business units, the Chairman and also the structure of compensation for senior executives. It also ensures the Group has a formal, rigorous and transparent procedure for the appointment of new directors (both executive and non-Executive) and senior executives succession planning.

Members include the Executive Chairman and two Non-Executive Directors.

Independent Auditor's report
to the members of ED&F Man Holdings Limited

We have audited the financial statements of E D & F Man Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 September 2017 which comprise the Consolidated Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the related notes 1 to 31, the Company Balance Sheet, the Company Statement of Changes in Equity, Company related notes 1 to 5, and a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the consolidated financial statement is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101 "Reduced Disclosure Framework", as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 30 September 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS101 "Reduced Disclosure Framework"; and
- the financial statements 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report set out on pages 1-25, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

DIVERSITY

Our people have diverse backgrounds. Their different perspectives reflect the markets we serve, help us innovate and enhance the services we provide.

Independent Auditor's report continued

to the members of ED&F Man Holdings Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ernst & Young LLP
Andrew Smyth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
1 December 2017

Consolidated profit or loss

for the year ended 30 September 2017

	Note	30 September 2017 $m	30 September 2016 $m
Revenue	3	**10,677.8**	8,235.3
Cost of sales		**(10,224.8)**	(7,550.0)
Gross profit		**453.0**	685.3
Selling and administrative expenses		**(451.8)**	(492.3)
Share of loss of entities accounted for using the equity method		**(45.3)**	(12.2)
Operating (loss)/profit	4	**(44.1)**	180.8
Profit on disposal of investments		**0.3**	1.1
Gain on acquisition of subsidiary		**–**	1.0
Gain/(loss) on disposal of property, plant and equipment		**0.1**	(0.4)
Provision against investments		**(0.6)**	(2.5)
Impairment of fixed assets		**(2.7)**	–
Provision for restructuring		**(18.0)**	–
(Loss)/profit before interest and tax		**(65.0)**	180.0
Net financing costs	19	**(79.6)**	(78.1)
(Loss)/profit before tax		**(144.6)**	101.9
Tax	7	**(7.5)**	(28.1)
(Loss)/profit for the year after tax		**(152.1)**	73.8
Attributable to:			
Owners of the Group		**(152.0)**	73.2
Non-controlling interest		**(0.1)**	0.6

All operations are continuing.

The Notes on pages 34 to 66 form an integral part of these financial statements.

Consolidated statement of comprehensive income

for the year ended 30 September 2017

	Note	30 September 2017 $m	30 September 2016 $m
(Loss)/profit for the year after tax		**(152.1)**	73.8
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) recognised on defined benefit schemes	6	**3.9**	(3.2)
Deferred tax recognised on defined benefit schemes		**(0.4)**	0.6
Share of movement of joint ventures' reserves	11	**1.7**	(5.8)
		5.2	(8.4)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on retranslation of net assets of subsidiary undertakings		**0.4**	(16.3)
Currency translation differences on net investment hedges		**(3.5)**	2.2
Fair value movement on available for sale investments	12	**2.9**	0.8
Deferred tax recognised on available for sale investments		**(1.4)**	–
Effective portion of changes in fair value of cash flow hedges – net of deferred taxes		**23.5**	(24.4)
Total other comprehensive gain/(loss) for the year		**27.1**	(46.1)
Total comprehensive (loss)/income for the year		**(125.0)**	27.7
Total comprehensive (loss)/income attributable to:			
Owners of the Group		**(127.6)**	29.3
Non-controlling interest		**2.6**	(1.6)
		(125.0)	27.7

All operations are continuing.

The Notes on pages 34 to 66 form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 September 2017

	Equity attributable to the equity holders of the Parent									
	Share Capital (Note 21) $m	Preference shares (Note 21) $m	Share premium account (Note 22) $m	Retained Earnings $m	Fair value reserve $m	Translation Reserve $m	Capital redemption Reserve $m	Total $m	Non-controlling interest (Note 31) $m	Total equity $m
As at 1 October 2016	**119.8**	**64.5**	**168.0**	**680.1**	**(17.8)**	**(96.7)**	**14.5**	**932.4**	**44.3**	**976.7**
Loss for the year	–	–	–	(152.0)	–	–	–	(152.0)	(0.1)	(152.1)
Other comprehensive gain/(loss)	–	–	–	5.2	22.3	(3.1)	–	24.4	2.7	27.1
Total comprehensive income/(loss)	**–**	**–**	**–**	**(146.8)**	**22.3**	**(3.1)**	**–**	**(127.6)**	**2.6**	**(125.0)**
Purchase of own shares	–	–	–	(18.9)	–	–	–	(18.9)	–	(18.9)
Share-based payments	–	–	–	25.4	–	–	–	25.4	–	25.4
Dividend paid on "A" preference shares	–	–	–	(5.8)	–	–	–	(5.8)	–	(5.8)
Acquisition of subsidiary	–	–	15.0	–	–	–	–	15.0	–	15.0
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	(0.3)	(0.3)
At 30 September 2017	**119.8**	**64.5**	**183.0**	**534.0**	**4.5**	**(99.8)**	**14.5**	**820.5**	**46.6**	**867.1**

The Notes on pages 34 to 66 form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 September 2016

	Equity attributable to the equity holders of the Parent									
	Share Capital (Note 21) $m	Preference shares (Note 21) $m	Share premium account (Note 22) $m	Retained Earnings $m	Fair value reserve $m	Translation Reserve $m	Capital redemption Reserve $m	Total $m	Non-controlling interest (Note 31) $m	Total equity $m
As at 1 October 2015	**138.2**	**46.1**	**168.0**	**611.9**	**3.6**	**(82.6)**	**14.5**	**899.7**	**44.1**	**943.8**
Profit for the year	–	–	–	73.2	–		–	73.2	0.6	73.8
Other comprehensive loss	–	–	–	(8.4)	(21.4)	(14.1)	–	(43.9)	(2.2)	(46.1)
Total comprehensive income/(loss)	**–**	**–**	**–**	**64.8**	**(21.4)**	**(14.1)**	**–**	**29.3**	**(1.6)**	**27.7**
Proceeds from sale of own shares	(18.4)	18.4	–	–	–	–	–	–	–	–
Proceeds from sale of own shares	–	–	–	91.8	–	–	–	91.8	–	91.8
Purchase of own shares	–	–	–	(110.7)	–	–	–	(110.7)	–	(110.7)
Share-based payments	–	–	–	33.6	–	–	–	33.6	–	33.6
Dividend paid on "A" preference shares	–	–	–	(11.3)	–	–	–	(11.3)	–	(11.3)
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	(0.1)	(0.1)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	1.9	1.9
At 30 September 2016	**119.8**	**64.5**	**168.0**	**680.1**	**(17.8)**	**(96.7)**	**14.5**	**932.4**	**44.3**	**976.7**

The Notes on pages 34 to 66 form an integral part of these financial statements.

Consolidated statement of financial position

As at 30 September 2017

	Note	30 September 2017 $m	30 September 2016 $m
Non-current assets			
Intangible assets	8	**78.6**	72.2
Property, plant and equipment	9	**513.0**	490.6
Investment properties	10	**2.2**	2.2
Investments in joint ventures and associates	11	**82.5**	67.9
Available for sale investments	12	**18.9**	13.7
Trade and other receivables	16	**36.0**	63.0
Other financial assets	19	**5.1**	7.2
Deferred tax asset	7	**54.5**	43.1
		790.8	759.9
Current assets			
Inventories	14	**1,135.0**	1,393.5
Biological assets	15	**11.1**	13.5
Trade and other receivables	16	**3,786.1**	4,047.6
Other financial assets	19	**11,607.3**	11,499.0
Cash and cash equivalents		**672.1**	990.1
		17,211.6	17,943.7
Total assets		**18,002.4**	18,703.6
Current liabilities			
Trade and other payables	17	**(3,313.9)**	(3,815.0)
Loans and overdrafts	18	**(1,753.4)**	(1,793.6)
Other financial liabilities	19	**(11,409.2)**	(11,191.4)
		(16,476.5)	(16,800.0)
Net current assets		**735.1**	1,143.7
Non-current liabilities			
Trade and other payables	17	**(28.0)**	(16.0)
Loans and overdrafts	18	**(543.8)**	(836.5)
Other financial liabilities	19	**(12.8)**	(17.5)
Provisions	20	**(25.5)**	(11.4)
Pension liabilities	6	**(18.2)**	(20.3)
Deferred tax liability	7	**(30.5)**	(25.2)
		(658.8)	(926.9)
Net assets		**867.1**	976.7
Equity attributable to owners of the Group		**820.5**	932.4
Non-controlling interest		**46.6**	44.3
Total equity		**867.1**	976.7

The Notes on pages 34 to 66 form an integral part of these financial statements.

Approved by the Board of Directors on 1 December 2017 and signed on its behalf by:

Rafael Muguiro
Executive Chairman

Laurie Foulds
Chief Operating Officer

Consolidated cash flow statement

for the year ended 30 September 2017

	Note	30 September 2017 $m	30 September 2016 $m
Net cash inflow/(outflow) from operating activities	24(a)	**250.1**	(92.6)
Investing activities			
Dividends from associates		**1.1**	1.0
Interest received		**45.9**	20.7
Purchase of property, plant and equipment		**(62.4)**	(72.0)
Proceeds on sale of property, plant and equipment		**3.4**	9.5
Proceeds from sale of investments		**0.9**	15.7
Purchase of investments		**(7.3)**	(2.2)
Purchase of subsidiary undertakings		**(15.7)**	(9.3)
Purchase of intangibles		**(6.4)**	(6.2)
Net cash (used in) investing activities		**(40.5)**	(42.8)
Financing activities			
(Decrease)/Increase in borrowings	25	**(374.1)**	451.3
Purchase of own shares		**(18.9)**	(110.7)
Proceeds on sale of own shares		**–**	91.8
Interest paid		**(128.5)**	(99.5)
Dividends paid		**(5.8)**	(11.3)
Net cash (outflow)/inflow from financing activities		**(527.3)**	321.6
Net (decrease)/increase in cash and cash equivalents		**(317.7)**	186.2
Cash and cash equivalents at the beginning of year		**990.1**	801.1
Effect of foreign exchange rate changes		**(0.3)**	2.8
Cash and cash equivalents at the end of year		**672.1**	990.1

The Notes on pages 34 to 66 form an integral part of these financial statements.

Notes to the consolidated financial statements
for the year ended 30 September 2017

1. Significant accounting policies

1.1 Basis of preparation
E D & F Man Holdings Limited is domiciled in the United Kingdom and incorporated under the Companies Act 2006.

The consolidated financial statements of the Group have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) effective as of 30 September 2017.

The consolidated financial statements have been prepared on a historical cost basis, except for certain inventories and financial instruments that have been measured at fair value.

The standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective:

- IFRS 17 – Insurance Contracts;
- IFRIC 22 – Foreign currency transactions;
- IFRIC 23 – Income tax treatments;
- IFRS 2 – Amendments to classification and measurements of share-based payment transactions;
- Annual Improvements to IFRS Standards 2014-2016 Cycle;
- IAS 40 – Amendments to transfers of investment property;
- IAS 28 – Amendments to long-term interests in Associates and Joint Ventures;
- IAS 7 – Amendments to statement of cash flows;
- IAS 12 – Amendments to income taxes;
- IFRS 4 – Amendments to IFRS 4 regarding applying IFRS 9.

Management do not believe these standards and amendments will have a significant impact on the Group financial statements.

IFRS 9 – Financial instruments;
This standard replaces guidance in IAS 39, in particular rationalising the primary categories of financial assets based on the business model in which the assets are managed and their cash flow characteristics; creating a new expected credit loss model for the impairment of financial assets; and providing new hedge accounting requirements. The potential impact on the Group is currently being assessed, with the principal focus on the effect on the categorisation of financial assets held by the Group. To date management do not believe this will have a significant impact on the Group financial statements.

IFRS 15 – Revenue from contracts with customers;
This standard replaces the current revenue standard and guidance in IFRS. The new standard establishes principles to apply in measuring and recognising revenue. The Group is in the process of reviewing the potential impact of the new standard on its various revenue flows. The majority of the Group's revenue arises from the sale of goods, where the transfer of risk and rewards and the change in effective control of goods coincides with the fulfilment of performance obligations with customers, and consequently to date no significant changes in the timing or amount of revenue recognised have been identified.

IFRS 16 – Leases;
This standard comprehensively changes the treatment of leases and replaces IAS17 and related guidance under IFRS. The new standard will require all lease arrangements, with minor exceptions, to be recognised as lease assets and liabilities in the Statement of Financial Position at the present value of unavoidable lease payments. The lease asset will be amortised to profit or loss and an interest charge recorded on the lease liability. The Group is still evaluating the impact of the new standard, but since the new treatment will apply to most of the lease arrangements currently accounted for as operating leases under IAS17, it is expected that this will increase the Group's recognised lease assets and liabilities and impact the presentation and timing of lease amortisation and interest charges to profit or loss.

1.2 Basis of consolidation
The Group financial statements incorporate the financial statements of the Company and all its subsidiary undertakings for the year ended 30 September 2017. All companies over which the Group is able to exercise control are consolidated as subsidiary undertakings.

The financial statements have been rounded to the nearest $0.1m.

1. Significant accounting policies continued

1.3 Critical accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported financial position at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual outcomes could differ from these estimates.

Management has identified the following areas as being critical to understanding the Group's financial position as they require management to make complex and/or subjective judgements and estimates about matters that are inherently uncertain:

Valuation of financial instruments
All derivative financial instruments not qualifying for the "own use" exemption and certain other financial assets and liabilities are recorded at fair value and analysed into three hierarchy levels based on their valuation methodology, as per IFRS13. Refer to note 19 for further information. Management evaluates the basis on which this analysis has been made. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets including forward foreign currency exchange and fixed income securities (Level 1); by using models with externally verifiable inputs (Level 2); or by using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring management to make market based assumptions (Level 3). Level 3 inputs therefore include the highest level of estimation uncertainty.

Impairments
The carrying values of assets (excluding goodwill) are reviewed for impairment if events or changes in circumstance indicate the carrying amount may not be recoverable. Goodwill and indefinite life intangible assets are tested for impairment at least annually. An impairment loss is provided for when the carrying value of the asset exceeds its estimated recoverable amount, the estimated recoverable amount being defined as the higher of the fair value less costs to sell and the value in use. The value in use is determined by reference to estimated future discounted cash flows which are based on management's expectations about future operations. Future cash flow estimates used to calculate value in use are based on expectations about future operations, primarily about future production or marketing volumes, commodity prices and operating costs. Such estimates are based on management experience and market research data and are reviewed regularly and past estimates benchmarked against actual outcomes. Please refer to note 11 for additional information about judgements made when testing balances relating to joint ventures for impairment.

Provisions and liabilities
Provisions and certain other liabilities recognised in the balance sheet require an estimation of the amounts required to settle the obligation. The provisions or liabilities recorded reflect management's best estimate of the amounts required to settle the related liability, including tax, legal, contractual or other exposures. Management assesses liabilities and contingencies based upon the current information available, relevant tax laws and other appropriate requirements.

Fair valuation of non-financial assets and liabilities
Certain non-financial items such as held for trading inventories, biological assets and assets and liabilities acquired in a business combination are required to be fair valued. Such values are estimated based on the amount for which such assets and liabilities could be exchanged at the relevant transaction date or reporting date. Where such values cannot be derived from publicly available information they are estimated using models and other valuation methods. Where possible assumptions and inputs take account of externally verifiable inputs.

Recognition of deferred tax assets
Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether there will be sufficient taxable income available to offset the tax assets when they do reverse. These judgements are subject to risk and uncertainty and therefore, to the extent assumptions regarding future profitability change, there can be a material increase or decrease in the amounts recognised in the consolidated statement of comprehensive income in the period in which the change occurs. The recoverability of deferred tax assets including the estimates and assumptions contained therein are reviewed regularly by management.

1.4 Accounting policies

Foreign currencies
Transactions undertaken by each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). Foreign currency transactions are translated into the functional currency at the spot rate ruling at the date of the transaction or using an average rate for the year. Monetary assets and liabilities are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit or loss.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

1. Significant accounting policies continued

The Group's consolidated financial statements are presented in United States Dollars ("presentational currency"). This is also the functional currency for the majority of the Group's operations. The assets and liabilities of subsidiaries and associates undertakings whose functional currency is not United States Dollars are translated at the rate of exchange ruling at the balance sheet date. The results and cash flows of these undertakings are translated at average rates for the year. The exchange differences arising on the re-translation of opening net assets, together with the differences between the results of these undertakings translated at the average rates for the year and the rate at the balance sheet date, are taken directly to the translation reserve and are shown in other comprehensive income.

All other translation differences are taken to the profit or loss with the exception of differences on foreign currency borrowings, to the extent that they are used to finance foreign equity investments and meet the definition of an effective net investment hedge under IAS 39. In these circumstances, the translation differences are taken directly to the translation reserve and are shown in other comprehensive income.

Revenue recognition

Sale of goods

Revenue arising from the sale of goods is recognised when the significant risks and rewards of ownership and effective control of goods have passed to the buyer (e.g. when a bill of lading is passed to the buyer) and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, customs duties and sales taxes.

Brokerage and financial services

Brokerage revenue comprises interest income, fee income and income on financial instruments measured at fair value through profit or loss. Interest income is generated from margin balances held and financing transactions and is recognised as earned. Fee income which mainly comprises execution and clearing commissions is recognised as earned.

Cost of sales

Cost of sales includes the purchase price of goods sold, including the costs of processing, storage, and transportation, and the direct costs attributable to the supply of services. It also includes the changes in fair value of inventories held for trading, and the changes in fair value of forward commodity contracts meeting the definition of derivative financial instruments.

Leases

Operating lease rentals are charged to the profit or loss over the lease term on a straight-line basis.

Assets acquired under finance leases are capitalised at the net present value of future lease payment obligations and depreciated over the shorter of the asset's useful economic life or the lease term.

Investment income

Dividends received, excluding those from subsidiaries and associates, are accounted for on a right to receive basis and gross of any withholding taxes attributable.

Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the net assets acquired. Goodwill is not amortised but it is reviewed for impairment at least annually.

Impairment of goodwill and indefinite life intangible assets

The Group reviews goodwill and indefinite life intangible assets for impairment at the end of the first full financial year following an acquisition and at least annually thereafter.

Impairment testing in the first year is performed by comparing post-acquisition performance in the first year with pre-acquisition forecasts used to support the purchase price. If the initial review indicates that the post-acquisition performance has failed to meet pre-acquisition expectations, or if any previously unforeseen events or changes in circumstances indicate that the carrying values may not be recoverable, a full impairment review is undertaken.

1. Significant accounting policies continued

Other intangibles

Other intangibles include software, water rights, trademarks and patents. Amortisation is provided on other intangibles so as to write off the cost, less any estimated residual value, over their expected useful economic life on a straight-line basis as follows:

Software	3 to 7 years
Water rights	indefinite useful life
Trademarks, patents, brands	over their expected useful economic life

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any consideration given to acquire the asset.

Depreciation

Depreciation is provided on a straight-line basis to write off property, plant and equipment over their economic useful lives. The rates used are dependent on the circumstances in the countries in which subsidiaries operate and are as follows:

Freehold buildings	20 to 50 years
Leasehold land and buildings	life of the lease
Plant and machinery	3 to 20 years

Freehold land is not depreciated.

Biological assets

Biological assets are recorded at fair value less estimated selling costs, with changes in fair value reflected within cost of sales in the profit or loss.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation using the cost model.

Non-Current asset investments

Joint ventures and associates

A joint venture is an arrangement in which the Group holds an interest in the net assets of the arrangements on a long-term basis, and which is jointly controlled by the Group and one or more other parties under a contractual arrangement. In the Group financial statements, joint ventures are accounted for using the equity method.

An associate is an entity, other than subsidiary undertaking or joint venture, in which the Group has a long-term participating interest, and over whose operating and financial policies the Group exercises a significant influence. In the Group financial statements associates are accounted for using the equity method.

Where the joint venture or associates undertaking is itself a parent undertaking, the net assets and profits and losses taken into account are those of its group after making any consolidation adjustments.

Available for sale investments

Available for sale investments are all investments that are not subsidiaries, associates and joint ventures. Such investments are recorded at fair value and re-measured at subsequent reporting dates. Fair value is based on quoted market prices. Changes in fair value, including foreign exchange translation differences, are recognised in other comprehensive income until the investment is disposed of or determined to be impaired, at which point the cumulative gains or losses recorded in the fair value reserve are included in the profit or loss for the year.

Available for sale investments which do not have a quoted market price and which cannot be reliably fair valued are held at cost less provisions for impairment, if appropriate.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

1. Significant accounting policies continued

Impairment of assets excluding goodwill

The carrying values of assets (excluding goodwill) are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is provided for in the current year profit or loss when the carrying value of the asset exceeds its estimated recoverable amount. The estimated recoverable amount is defined as the higher of the fair value less costs to sell and the value in use. The value in use is determined by reference to estimated future discounted cash flows.

Inventories

Inventories held for "own use" within the business, are valued at the lower of cost or net realisable value. Cost includes those costs in bringing the inventories to their present location and condition. The calculation of net realisable value takes into account any relevant forward commitments and is based on estimated selling price less any further costs expected to be incurred in relation to disposal.

Inventories held for trading are recorded at fair value less cost to sell at the balance sheet date on a basis consistent with derivative financial instruments under IAS 39, with changes in fair value reflected within cost of sales in the profit or loss.

Taxation

Tax liabilities are recognised where it is considered probable that there will be a future outflow of funds to a taxing authority where this can be reasonably estimated.

A deferred tax asset or liability is recognised in respect of all deductible or taxable temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date except:

(a) When the temporary difference arises on the initial recognition of goodwill;

(b) When temporary difference arises on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit;

(c) When the temporary difference is associated with investments in subsidiaries, associates and joint ventures and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the year end date.

Amounts shown in the statement of changes in equity are presented net of taxation.

The Group is based in a large number of jurisdictions which can add uncertainty to the Group's overall tax position.

Cash and cash equivalents

Cash as presented in the Group cash flow statement comprises cash in hand and demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, interest bearing loans are measured at amortised cost using the effective interest method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition. The EIR amortisation is included as finance costs or income in the profit or loss.

1. Significant accounting policies continued

Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and when appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss, net of any reimbursement.

Contingent assets

Prospective settlements in legal cases are recognised in the financial statements when the cash is received or where its receipt is virtually certain.

Share capital

Ordinary shares and "A" Preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Included in Share Capital are treasury shares held by the Employee Share Trust. The cost of acquiring treasury shares is deducted from equity. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale, issue or cancellation of equity shares.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial instruments

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale financial assets depending on the purposes for which the financial assets are held. Financial assets are initially recognised at fair value, including directly attributable costs. Subsequently financial assets are carried at fair value (assets held for trading, derivatives and marketable securities) or at amortised cost less impairment using the effective interest rate method (trade receivables, advances, loans and securities purchased under agreements to resell back to clients).

Financial liabilities, other than derivative financial instruments or those held for trading, are initially recognised at fair value, net of transaction costs as appropriate, and subsequently carried at amortised cost.

The Group uses various derivative financial instruments for trading purposes or as economic hedges to reduce certain exposures to foreign exchange risks and future commodity price risks. These include forward currency contracts, currency options, and commodity futures and options with recognised exchanges.

IAS 39 sets out definitions for derivative financial instruments ("DFI") which affect the accounting treatment of the majority of the Group's physical commodity activities, in addition to the Group's futures (trading and economic hedging) activities and derivatives held with clients. IAS 39 requires that certain financial assets and liabilities, including all DFI, except those which qualify for the "own use" exemption as referred to below, be fair valued with gains and losses shown as assets and liabilities within the balance sheet, and changes in fair value recorded in the profit or loss.

Physical commodity contracts fall into two types:

- those which meet the definition of a DFI; and
- those which meet the "own use" exemption and are outside of the scope of IAS 39.

Notes to the consolidated financial statements continued
for the year ended 30 September 2017

1. Significant accounting policies continued

All forward commodity contracts meeting the definition of a DFI are recorded at fair value on the balance sheet, with changes in fair value reflected within cost of sales in the profit or loss. Gains or losses on forward commodity contracts are shown within derivative financial instruments receivables or liabilities, as appropriate. Gains and losses are only netted to the extent that there is a legal right of set off and the Group has the intention to net settle these amounts.

Available for sale financial assets (mainly equity instruments of other entities) are valued at fair value where this may be reliably measured using quoted market prices in an active market. Where fair value cannot be reliably determined, these assets are carried at cost. Fair value gains and losses on available for sale financial assets are recognised through other comprehensive income. Upon de-recognition the cumulative gain or loss previously recognised through other comprehensive income is reclassified to the profit or loss.

The Group's valuation strategy for derivatives and other financial instruments utilises, as far as possible, quoted prices in an active market. Valuations fall into three levels of reliability:

Level 1 – utilises quoted prices in an active market for an identical asset or liability;
Level 2 – utilises quoted prices in an active market for similar products or derives the valuation from other observable or market corroborated inputs into an industry standard model; and
Level 3 – where a market price for a similar product is not observable, the valuation uses inputs based on internal models or other valuation techniques.

If at inception of a contract the valuation cannot be supported by observable market data, any gain or loss determined by a valuation methodology, commonly known as "day-one profit or loss", is not recognised in the profit or loss but is deferred on the balance sheet. The deferred gain or loss is recognised in the profit or loss over the life of the contract until substantially all of the remaining contract term can be valued using observable market data at which point any remaining deferred gain or loss is recognised in the profit or loss. Changes in valuation from this initial valuation are recognised immediately through the profit or loss.

Physical commodity contracts entered into and held for the purpose of the Group's own use (predominantly in operations where a significant degree of processing and conversion of the product occurs) qualify for the "own use" exemption in IAS 39 and are outside the scope of the standard. Gains or losses on these contracts are recognised in the profit or loss when the underlying physical contracts occur or mature. The Group defers unrealised profits net of losses at the reporting date, whilst any unrealised loss in each business is provided for.

Hedging

The Group may use financial instruments to hedge exposures to variability in future cash flows from highly probable forecast transactions (for example future operating expenses to be incurred in a foreign currency). For such cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised as a fair value reserve within shareholders' funds and shown in other comprehensive income, while any ineffective portion is immediately recognised in the profit or loss. Amounts taken to other comprehensive income are transferred to the profit or loss in the same period or periods during which the hedged transaction affects profit or loss.

The Group may use foreign currency borrowings as a net investment hedge of the retranslation of the foreign currency net assets of subsidiary undertakings. In these cases the translation difference on such borrowings is taken to the translation reserve within shareholders' funds and shown in other comprehensive income. Such translation differences are recycled to profit or loss on disposal of the underlying subsidiary.

Securities purchased/sold under agreements to resell/repurchase

Marketable securities have been sold with a commitment to repurchase at a future date. The consideration received has been accounted for within "Financial liabilities" and measured at amortised cost. Securities purchased under agreements to resell back to clients are categorised as "Loans and receivables". The Group has the right to re-pledge the collateral received. The consideration received under such re-pledges is accounted for within "Financial liabilities" and measured at amortised cost.

1. Significant accounting policies continued

Pensions

The Group operates a number of defined contribution pension schemes. Contributions are charged to the profit or loss when they become payable to the schemes.

A number of the Group's subsidiaries operate defined benefit pension schemes. The cost of providing benefits under the defined benefit plans is determined for each plan using the projected unit method, which attributes entitlement to benefits to the current period (to determine the current service cost) and is based on actuarial advice. Past service costs are recognised in the profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit or loss. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost is determined by applying the discount rate to the opening net defined benefit liability.

Actuarial gains and losses are recognised in full in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Employee share option schemes

The Group issues equity-settled share-based payments to certain employees (including directors) whereby employees render services in exchange for shares or rights over shares.

The cost of the share-based payment transactions with employees is measured by reference to the fair value of the shares awarded as at the date the award is granted.

The cost of share-based payments is recognised in the profit or loss, together with a corresponding entry in equity, over the performance period and the period after which the relevant employees become fully entitled to the award (the "vesting period"). At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the prior reporting date is recognised in the profit or loss, with the corresponding entry in equity. The assets and liabilities of employee trusts controlled by the Group are recognised in the Group financial statements. The cost of shares held by those employee trusts are deducted from shareholders' funds in the Company and Group balance sheets.

Any difference between the proceeds of sale of own shares and their costs is taken directly to the profit and loss reserve. Consideration paid or received for the purchase or sale of the Company's own shares by employee trusts is shown in the statement of changes in equity. Further details of employee trusts are presented in note 23.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Notes to the consolidated financial statements continued
for the year ended 30 September 2017

1. Significant accounting policies continued

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2. Operating analysis

The Group has two dedicated management committees which oversee the Agricultural Commodities and Brokerage operations. Both committees have been in operation throughout the current and prior year.

The Group's geographical markets remain as Europe, the Americas and the Rest of the World.

Divisional analysis of net assets

	2017 $m	2016 $m
Business division		
Agricultural Commodities	**574.1**	718.2
Brokerage	**293.0**	258.5
	867.1	976.7
Geographical area		
Europe	**394.9**	400.0
The Americas	**313.6**	398.4
Rest of the World	**158.6**	178.3
	867.1	976.7

Divisional analysis of (loss)/profit before tax

	2017 $m	2016 $m
Business division		
Agricultural Commodities	**(88.5)**	74.7
Brokerage	**(56.1)**	27.2
	(144.6)	101.9
Geographical area		
Europe	**(132.0)**	55.9
The Americas	**12.2**	15.1
Rest of the World	**(24.8)**	30.9
	(144.6)	101.9

Central costs have been proportionately allocated based on Net Assets.

2. Operating analysis continued

The Group's material associates and joint ventures form part of the Agricultural Commodities segment and principally operate in the Americas.

The above analysis is not intended to comply with IFRS 8 "Operating Segments" which does not apply to the Group.

3. Revenue analysis

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of sales taxes.

	2017 $m	2016 $m
Sale of goods	**10,072.2**	7,831.9
Brokerage and financial services	**605.6**	403.4
	10,677.8	8,235.3

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

		Note	2017 $m	2016 $m
Depreciation of property, plant and equipment		9	**41.8**	44.3
Amortisation of intangible assets		8	**4.7**	3.7
Expenses arising from share option plans		23	**26.3**	32.9
Auditor's remuneration:	– auditing of accounts		**3.2**	2.9
	– taxation compliance services		**0.4**	0.2
	– other services		**0.1**	0.1
Operating lease rentals			**37.6**	38.1
Metals incident (see below)			**83.9**	–

During the year the Brokerage business entered into agreements with a specific Counterparty to sell metal inventories, backed by warehouse receipts. Following the sales it became apparent that both the Brokerage business and the Counterparty had transacted on the basis of invalid warehouse receipts supplied by a third party. The Group has entered into a settlement agreement with the Counterparty under which, in return for a waiver of all potential claims between Brokerage and the Counterparty, the parties will jointly pursue recovery of the value of the metal inventories against the original suppliers of the warehouse receipts, any other parties involved and any relevant insurances. Under the settlement agreement, the Group has agreed to make settlement payments to the Counterparty, less recoveries received from third parties, over a period of up to seven years from the agreement.

Since the settlement agreement is a financial liability, the liability under the agreement has been initially recognised at fair value, taking into account any and all expected settlement payments. Going forward, the settlement liability will be carried at amortised cost and continually reviewed and updated to take account of any revised estimates of recovery values and the expected period until settlement.

The effect of the recognition of this settlement agreement on the Group's results for the year before tax was a loss of $83.9 million and after tax was a loss of $69.4 million.

Notes to the consolidated financial statements continued
for the year ended 30 September 2017

5. Directors' remuneration

	2017 $m	2016 $m
Remuneration	**2.7**	10.8
Amounts charged in respect of pension schemes	**–**	–
Amounts paid to third parties in respect of directors' services	**–**	–

	2017 Number	2016 Number
Members of money purchase pension schemes	**2**	2
Members of defined benefit schemes	**–**	–
Directors who were granted share options in the year	**2**	2
Directors who exercised share options in the year	**–**	–

The remuneration paid to the highest paid director was $0.7 million (2016: $6.3 million) including amounts charged in respect of pension scheme of $Nil (2016: $Nil).

6. Personnel costs and employee benefits

Personnel costs

	2017 $m	2016 $m
Wages and salaries	**269.1**	323.9
Social security costs	**29.8**	36.7
Other pension costs	**15.1**	13.9
	314.0	374.5

The average number of employees during the year was as follows:

	2017 Number	2016 Number
Trading and administration	**2,364**	3,010
Industrial and seasonal	**4,760**	3,875
	7,124	6,885

Included in cost of goods sold are personnel costs of $94.8 million (2016: $94.1 million). Other personnel costs are included in selling and administrative expenses.

Employee benefits

The principal pension arrangements in the Group are defined contribution schemes, the largest of which is the Group's pension plan for UK employees. The costs have been charged to the profit or loss as incurred and at the balance sheet date there were no outstanding or prepaid contributions.

In addition, the Group operated three defined benefit schemes and one long-term employee benefits scheme during the financial year ended 30 September 2017 in Germany, Switzerland, Japan and Chile respectively.

During the year, the Group's defined benefit scheme in Switzerland was funded. For this scheme the cost of providing pension benefits is calculated on an actuarial basis and charged to the profit or loss to spread the cost of the scheme over the service lives of employees.

6. Personnel costs and employee benefits continued

The obligations in Germany and Japan are unfunded. The schemes in Germany and Switzerland had full actuarial valuations in the current year.

	2017 %	2016 %
Main assumptions		
Rate of salary increases	**0.5 – 2.0**	1.0 – 2.0
Discount rate	**0.7 – 1.7**	0.3 – 1.3
Inflation	**0.5 – 2.0**	0.5 – 2.0

Amounts recognised in the profit or loss in respect of these defined benefit schemes for the year to 30 September are as follows:

	2017 $m	2016 $m
Service cost		
Current service cost	**(2.6)**	(2.1)
Past service cost and gain from settlements	**–**	–
Net interest expense	**(0.4)**	(0.3)
Components of defined benefit costs recognised in the profit or loss	**(3.0)**	(2.4)
The amounts recognised in the Consolidated Statement of Comprehensive Income for the year to 30 September are as follows:		
The return on plan assets (excluding amounts included in net interest expense)	**0.2**	(0.2)
Actuarial gains arising from changes in demographic assumptions	**–**	0.5
Actuarial gains/(losses) arising from changes in financial assumptions	**2.7**	(3.6)
Actuarial gains arising from experience adjustments	**1.0**	0.1
Re-measurement of the net defined benefit liability	**3.9**	(3.2)
The amounts included in the balance sheet at 30 September are:		
Present value of defined benefit obligations	**(38.7)**	(38.8)
Fair value of scheme assets	**20.5**	18.5
Net liability arising from defined benefit obligations	**(18.2)**	(20.3)

The scheme's assets consist of retirement savings of employees 99% (2016: 99%) and other assets 1% (2016: 1%).

The pension schemes have not invested in any of the Group's own financial instruments nor in properties or other assets used by the Group.

The actuarial gains and losses recognised in other comprehensive income relating to the actual return on scheme assets less the expected return on scheme assets for the year are gains of $3.9 million (2016: losses of $3.2 million). The cumulative amount of actuarial losses recognised in the Consolidated Statement of Comprehensive Income to 30 September 2017 is $6.8 million (2016: $10.7 million).

The total contributions to the defined benefit plans in the next year are expected to be $1.7 million (2016: $1.1 million).

Underlying movements in the present value of the defined benefit obligations and in the value of plan assets are not significant in the current year or in the prior year. As such further disclosure has not been made.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

7. Tax

	2017 $m	2016 $m
Tax on profits		
Current tax		
Current year	**31.3**	28.7
Adjustments in respect of prior years	**(9.6)**	(2.7)
	21.7	26.0
Deferred tax		
Current year	**(18.2)**	(0.7)
Adjustments in respect of prior years	**4.0**	2.8
	(14.2)	2.1
Tax charge on profits	**7.5**	28.1

	2017 $m	2016 $m
(Loss)/Profit before taxation	**(144.6)**	101.9
Less: Share of loss of entities accounted for using the equity method	**45.3**	12.2
Parent company and subsidiaries (loss)/profit before taxation	**(99.3)**	114.1
Taxation (credit)/charge calculated at the standard UK tax rate of 19.5% (2016: 20.0%)	**(19.3)**	22.8
Effects of:		
Expenses not deductible for tax purposes	**9.9**	4.8
Adjustment for different tax rates	**(0.1)**	(2.9)
Effect of changes in tax rate	**3.5**	1.6
Adjustments in relation to prior years	**(5.6)**	0.1
Impairment of fixed assets	**0.3**	–
Utilisation of tax losses brought forward	**(2.8)**	(5.3)
Current year tax losses not recognised	**18.8**	6.6
Provision for restructuring	**2.8**	–
Provision against investments	**–**	0.4
Total tax	**7.5**	28.1

The Group tax charge excludes amounts for joint ventures and associates except where tax is levied at the Group level.

Deferred tax relates to the following:

	Profit or Loss		Balance Sheet	
	2017 $m	2016 $m	2017 $m	2016 $m
Depreciation	**(4.8)**	(8.3)	**(40.0)**	(35.2)
Loss carry forward	**25.0**	(1.5)	**60.9**	35.9
Fair value gains and losses	**0.2**	2.9	**(18.2)**	(15.2)
Share-based payments	**(1.5)**	3.2	**10.4**	12.6
Other temporary differences	**(4.7)**	1.6	**10.9**	19.8
Net deferred tax asset /(charge)	**14.2**	(2.1)	**24.0**	17.9
Of which				
– deferred tax liabilities			**(30.5)**	(25.2)
– deferred tax assets			**54.5**	43.1
			24.0	17.9
At 1 October			**17.9**	17.8
Tax credit/(charge)			**14.2**	(2.1)
Acquisition of subsidiary			**–**	(1.5)
Transfer (from)/to other comprehensive income			**(8.1)**	3.7
At 30 September			**24.0**	17.9

7. Tax continued

The total tax effect relating to the disposal of non-current assets and provision against investments in the profit or loss is $Nil (2016: $Nil) and the tax effect in the other comprehensive income is $Nil (2016: $Nil).

Deferred tax has not been recognised in respect of certain tax losses of $186.0 million (2016: $134.0 million) because it is not probable that future profits will be available against which the Group can utilise the benefits.

Deferred tax assets are recognised for tax losses carried forward only to the extent that it is probable the related tax benefit will be realised.

As at 30 September 2017 the undistributed reserves for which deferred tax liabilities have not been recognised were $223.0 million (2016: $205.0 million) in respect of subsidiaries, joint ventures and associates as it is unlikely that such undistributed profits will be distributed in the foreseeable future.

Finance (No.2) Act 2017 contains a number of changes to the UK corporation tax system including new regimes for loss relief and interest relief effective from 1 April 2017. As the Act was not substantively enacted at the Group's balance sheet date the UK tax numbers reflected within these financial statements do not incorporate these law changes. An assessment of the impact of these changes has been undertaken and the Group considers that there will be no material change arising in future periods to the numbers reported within these financial statements.

8. Intangible assets

	Goodwill $m	Software $m	Other Intangibles $m	Total $m
Cost				
At 1 October 2016	39.1	28.4	22.8	90.3
Additions	–	6.3	0.1	6.4
Acquisition of subsidiary undertakings	4.6	–	–	4.6
Disposals	–	(0.4)	–	(0.4)
Exchange rate differences	0.1	–	–	0.1
At 30 September 2017	**43.8**	**34.3**	**22.9**	**101.0**
Amortisation				
At 1 October 2016	–	(15.3)	(1.1)	(16.4)
Charge for the year	–	(3.7)	(1.0)	(4.7)
Disposals	–	0.4	–	0.4
Exchange rate differences	–	–	–	–
At 30 September 2017	**–**	**(18.6)**	**(2.1)**	**(20.7)**
Accumulated impairment losses				
At 1 October 2016	(1.7)	–	–	(1.7)
At 30 September 2017	**(1.7)**	**–**	**–**	**(1.7)**
Carrying amount				
At 30 September 2017	**42.1**	**15.7**	**20.8**	**78.6**
At 30 September 2016	**37.4**	**13.1**	**21.7**	**72.2**

The carrying amount of Goodwill has been allocated to the following groups of cash generating units ("CGUs"):

	2017 $m	2016 $m
Marketing of commodities	**20.8**	16.2
Processing of commodities	**18.2**	18.2
Financial services	**2.7**	2.7
Other	**0.4**	0.3
	42.1	37.4

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8. Intangible assets continued

There is no goodwill acquired in a business combination that remains unallocated at the end of the reporting period. The recoverable amounts of the CGUs are determined from value in use calculations based on approved financial budgets and forecasts for the next three years. The key assumptions for the value in use calculations are those regarding discount rates, commodity prices, volumes handled, operating costs and growth rates in future periods. Assumptions around prices, volumes and operating costs are based on management experience and market research data. Cash flows beyond three year budget forecasts have generally been extrapolated at a growth rate of 2% per annum. Discount rates are applied appropriately to the risk environment of individual assets or CGU's and generally vary between 9% and 11% per annum.

9. Property, plant and equipment

	Land and Buildings				
	Freehold $m	Leasehold $m	Plant & Machinery $m	Construction In progress $m	Total $m
Cost					
At 1 October 2016	235.9	30.7	360.1	20.6	647.3
Additions	4.6	1.3	26.8	29.7	62.4
Acquisition of subsidiary	4.6	0.1	2.5	–	7.2
Disposals	(0.2)	(0.4)	(9.6)	–	(10.2)
Transfers	7.9	–	10.3	(18.2)	–
Currency translation differences	–	(0.1)	0.5	0.3	0.7
At 30 September 2017	**252.8**	**31.6**	**390.6**	**32.4**	**707.4**
Accumulated depreciation and impairment					
At 1 October 2016	(21.2)	(13.3)	(122.2)	–	(156.7)
Depreciation charge for the year	(7.8)	(2.3)	(31.7)	–	(41.8)
Impairment charge for the year	–	–	(2.7)	–	(2.7)
Disposals	–	0.3	6.6	–	6.9
Currency translation differences	–	–	(0.1)	–	(0.1)
At 30 September 2017	**(29.0)**	**(15.3)**	**(150.1)**	**–**	**(194.4)**
Carrying amount					
At 30 September 2017	**223.8**	**16.3**	**240.5**	**32.4**	**513.0**
At 30 September 2016	**214.7**	**17.4**	**237.9**	**20.6**	**490.6**

10. Investment property

	$m
Cost	
At 1 October 2016	2.3
Additions	0.1
At 30 September 2017	**2.4**
Accumulated depreciation	
At 1 October 2016	(0.1)
Charge for the year	(0.1)
At 30 September 2017	**(0.2)**
Carrying amount	
At 30 September 2017	**2.2**
At 30 September 2016	2.2

The carrying value of the investment property is not considered to be materially different from the fair value.

11. Investments in associates and joint ventures

A reconciliation of movements in investments in associates and joint ventures is set out below:

	Joint Ventures $m	Associates Unlisted $m	Total $m
At 1 October 2016	47.9	20.0	67.9
Additions[1]	50.0	4.3	54.3
Acquisition of subsidiary undertakings	–	6.3	6.3
Share of retained earnings	(48.5)	3.2	(45.3)
Dividends	–	(1.1)	(1.1)
Currency translation differences	(1.1)	(0.2)	(1.3)
Share of other reserves	1.7	–	1.7
At 30 September 2017	**50.0**	**32.5**	**82.5**

The Group's material joint ventures during the financial year are set out below:

Name of Joint Venture	Nature of Business	Country of Incorporation	Reporting Date	Effective Group Interest
Azucar Grupo Saenz S.A. de C.V. (Saenz)	Holding Company for Sugar Producer	Mexico	31 December	49.00%
Agrovia S.A. (Agrovia)	Sugar Logistics	Brazil	31 December	31.53%
Uniworld Sugars Pvt. Limited (Uniworld)	Sugar Refiner	India	31 March	50.00%

Summarised financial information in respect of the Group's material joint ventures accounted for using the equity method, reflecting 100% of the joint ventures relevant figures is set out below:

Material Joint Ventures

	2017				2016			
	Saenz $m	Agrovia $m	Uniworld $m	Total $m	Saenz $m	Agrovia $m	Uniworld $m	Total $m
Non-current assets	**181.4**	**46.6**	**37.6**	**265.6**	152.8	88.8	51.4	293.0
Current assets	**235.0**	**29.9**	**19.5**	**284.4**	242.8	8.4	12.0	263.2
Total assets	**416.4**	**76.5**	**57.1**	**550.0**	395.6	97.2	63.4	556.2
Non-current liabilities	**(51.4)**	**(0.7)**	**(11.9)**	**(64.0)**	(56.9)	(0.6)	(13.0)	(70.5)
Current liabilities	**(400.0)**	**(12.8)**	**(39.4)**	**(452.2)**	(357.6)	(5.8)	(32.4)	(395.8)
Total liabilities	**(451.4)**	**(13.5)**	**(51.3)**	**(516.2)**	(414.5)	(6.4)	(45.4)	(466.3)
Total equity	**(35.0)**	**63.0**	**5.8**	**33.8**	(18.9)	90.8	18.0	89.9
Group's share of equity	**(17.1)**	**19.8**	**2.9**	**5.6**	(9.3)	22.7	9.0	22.4
Carrying amount	**8.3**	**19.8**	**2.9**	**31.0**	–	22.7	9.0	31.7

	2017				2016			
	Saenz $m	Agrovia $m	Uniworld $m	Total $m	Saenz $m	Agrovia $m	Uniworld $m	Total $m
Revenue	**225.3**	**–**	**57.2**	**282.5**	219.7	7.7	82.2	309.6
Loss for the year	**(65.3)**	**(9.4)**	**(5.6)**	**(80.3)**	(51.7)	(2.8)	(8.2)	(62.7)
Other comprehensive income/(loss)	**3.6**	**–**	**–**	**3.6**	(11.8)	–	–	(11.8)
Total comprehensive loss	**(61.7)**	**(9.4)**	**(5.6)**	**(76.7)**	(63.5)	(2.8)	(8.2)	(74.5)
Group's share of loss	**(41.3)**	**(3.0)**	**(2.8)**	**(47.1)**	(16.0)	(0.7)	(4.1)	(20.8)

1 As at 30 September 2017, the carrying value of Saenz includes $50m of receivables that are considered to be part of the net investment in the operation.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

11. Investments in associates and joint ventures continued

Assets and liabilities include the following:

	2017				2016			
	Saenz $m	Agrovia $m	Uniworld $m	Total $m	Saenz $m	Agrovia $m	Uniworld $m	Total $m
Cash and cash equivalents	**4.4**	**21.7**	**1.0**	**27.1**	4.5	0.3	3.7	8.5
Current financial liabilities[1]	**(31.2)**	**–**	**(12.3)**	**(43.5)**	(30.9)	–	(16.9)	(47.8)
Non-current financial liabilities[1]	**(23.4)**	**–**	**(11.5)**	**(34.9)**	(25.0)	–	(13.0)	(38.0)

1 Financial liabilities excluding trade, other payables and provisions

Loss of joint ventures is stated after (charging)/crediting:

	2017				2016			
	Saenz $m	Agrovia $m	Uniworld $m	Total $m	Saenz $m	Agrovia $m	Uniworld $m	Total $m
Depreciation and amortisation	**(5.0)**	**–**	**(6.6)**	**(11.6)**	(6.4)	(1.2)	(2.5)	(10.1)
Net interest (charge)/income	**(38.9)**	**–**	**1.5**	**(37.4)**	(17.1)	(0.1)	(4.2)	(21.4)
Income tax credit	**–**	**0.8**	**–**	**0.8**	–	0.7	–	0.7

Immaterial Joint Ventures

The aggregate of the Group's immaterial jointly controlled entities are measured using the equity method. All operations are continuing. The following table illustrates the aggregate amount of the Group's share of immaterial joint ventures:

	2017 $m	2016 $m
Group's share of		
Profit after tax	**0.3**	3.7
Other comprehensive income	**–**	–
Total comprehensive income	**0.3**	3.7
Carrying amount of interests in immaterial joint ventures	**19.1**	16.2

No dividends have been received in the years ended 30 September 2017 and 2016.

Immaterial Associates

The aggregate of the Group's immaterial associate entities are measured using the equity method. All operations are continuing. The following table illustrates the aggregate amount of the Group's share of immaterial associates:

	2017 $m	2016 $m
Group's share of:		
Profit after tax	**3.2**	4.4
Other comprehensive income	**–**	–
Total comprehensive income	**3.2**	4.4
Carrying amount of interests in immaterial associates	**32.4**	20.0

The Group's share of contingent liabilities of joint ventures and associates incurred jointly with other venturers or investors was $Nil (2016: $Nil).

Dividends from associates of $1.1 million (2016: $1.0 million) have been received during the year.

11. Investments in associates and joint ventures continued

The Group has performed an impairment assessment in respect of its Saenz joint venture that incurred losses in the year. The assessment included the carrying value of its investment and loans and receivables due from the joint venture. The impairment assessment was made using a discounted cash flow model in which the key assumptions are forecast production volumes, forecast margins and terminal values. Forecast production volumes and margins are based on both internal and external research sources and include the impact of recent capital expenditures and structural changes that are expected to increase operating efficiency. The terminal values have been benchmarked for reasonableness against recent market transactions involving similar assets in Mexico. The assessment indicated that no impairment was required in the year.

The Group also performed an impairment assessment in respect of the carrying value of its Uniworld joint venture investment and receivables. The key input in the assessment was the value of the production assets of the joint venture, which was assessed using both internal and external research data. As a result of the assessment, an impairment of $15.1m was recorded.

12. Available for sale investments

	Unlisted $m	Listed $m	Total $m
Cost			
At 1 October 2016	34.1	6.1	40.2
Additions	–	3.2	3.2
Disposals	–	(0.6)	(0.6)
Revaluation	–	2.9	2.9
Currency translation	0.6	0.1	0.7
At 30 September 2017	**34.7**	**11.7**	**46.4**
Amounts provided			
At 1 October 2016	(26.1)	(0.4)	(26.5)
Written down in year	(0.6)	–	(0.6)
Currency translation	(0.6)	0.2	(0.4)
At 30 September 2017	**(27.3)**	**(0.2)**	**(27.5)**
Carrying amount			
At 30 September 2017	**7.4**	**11.5**	**18.9**
At 30 September 2016	**8.0**	**5.7**	**13.7**

Fair value information has not been disclosed for the unquoted investments because their fair value cannot be measured reliably. These assets are investments in the equity of a number of entities external to the Group and their value cannot be measured reliably due to lack of relevant information available.

Notes to the consolidated financial statements continued
for the year ended 30 September 2017

13. Business combinations

At 30 September 2017

In January 2017, the Group acquired 100% of the equity of Maviga plc a United Kingdom based group of companies specialising in the origination, processing and trading of dried edible pulses and other speciality crops.

The effect of the acquisition is summarised below:

	Book Value $m	Acquisition Fair Value Adjustments $m	Fair Value to Group $m
Assets and liabilities acquired			
Property, plant and equipment	7.2	–	7.2
Investment in Associates	3.5	2.8	6.3
Inventories	14.2	–	14.2
Trade and other receivables	64.4	(0.1)	64.3
Cash and cash equivalents	14.3	–	14.3
Trade and other liabilities	(17.7)	(0.2)	(17.9)
Bank loans and overdrafts	(40.9)	–	(40.9)
Taxation	(0.8)	–	(0.8)
Total identifiable assets acquired	**44.2**	**2.5**	**46.7**
Non-controlling interest			(0.3)
Goodwill			4.6
Total consideration			**51.0**
Satisfied by:			
Cash consideration			30.0
Equity interests of the acquirer			15.0
Contingent consideration – Equity interests of the acquirer			6.0
			51.0
Cash flow analysis:			
Cash consideration			30.0
Less: Cash and cash equivalents acquired			(14.3)
			15.7

The consideration includes 3,048,780 shares of ED&F Man Holdings Limited to be issued to the former shareholders of Maviga plc over the three year period from acquisition. This consideration has been recorded within equity at the fair value of the shares as at the acquisition date. Further contingent consideration is payable to the former shareholders of Maviga plc over a three year period from acquisition depending upon post-acquisition performance of the Maviga business. This consideration will be in form of shares of ED&F Man Holdings Limited up to a maximum of 1,219,512 shares. Based on the projected performance of the Maviga business, contingent consideration has been provided as a financial liability on the basis of the maximum shares being issued and at the fair value of the shares as at the acquisition date.

Maviga contributed $201.7 million revenue and $3.5 million profit to the Group's results for the period between the date of acquisition and the balance sheet date. If the acquisition of Maviga had been completed on the first day of the financial year, Maviga would have contributed revenue of $270.8 million and profits of $4.6 million for the full year.

14. Inventories

	2017 $m	2016 $m
Inventories held for trading	**955.4**	1,152.2
Held for own use	**179.6**	241.3
	1,135.0	1,393.5

Inventories written down to net realisable value in the year resulted in a charge of $Nil million (2016: $0.5 million). This is recognised in cost of sales. Inventories held for trading are recorded at fair value less costs to sell and classified as a Level 2 valuation derived from observable market inputs. Inventories held for trading includes $14.8 million (2016: $Nil) of inventory sold to a third party with an option to repurchase. The consideration received has been accounted for within "Financial liabilities".

15. Biological assets

	2017 $m	2016 $m
Biological assets	**11.1**	13.5

Biological assets held by the Group represent consumable, non-bearer crops of sugar beet and other living plants which will be harvested and sold in the following reporting period. These assets are carried at cost which approximates to fair value less cost to sell at the reporting date.

16. Trade and other receivables

	2017 $m	2016 $m
Current receivables		
Trade receivables	**1,608.9**	1,392.2
Amounts owed by joint ventures and associates	**363.0**	254.6
Other receivables	**111.9**	124.4
Tax receivables	**80.1**	75.7
Margins with exchanges	**1,413.8**	1,949.7
Prepayments	**208.4**	251.0
	3,786.1	4,047.6
Non-current receivables		
Trade receivables	**0.1**	23.0
Other receivables	**10.1**	16.1
Amounts owed by joint ventures and associates	**25.8**	23.9
	36.0	63.0

Note 19 includes details of collateral and credit enhancements held by the Group.

17. Trade and other payables

	2017 $m	2016 $m
Current payables		
Trade payables	**2,780.7**	3,310.3
Amounts owed to joint ventures and associates	**2.0**	3.1
Taxation and social security costs	**24.2**	33.7
Margins with Exchanges	**14.3**	23.9
Accruals and deferred income	**353.2**	400.8
Other payables	**139.5**	43.2
	3,313.9	3,815.0
Non-current payables		
Trade and other payables	**28.0**	16.0

18. Loans and overdrafts

	2017 $m	2016 $m
Amounts due for settlement:		
– in one year or less	**1,753.4**	1,793.6
– in more than one year but less than five years	**420.2**	716.5
– in more than five years	**123.6**	120.0
	2,297.2	2,630.1

Further details on bank loans and overdrafts are shown in note 19.

Notes to the consolidated financial statements continued

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19. Financial instruments and financial risk management

The Group's primary financial instruments consist of cash and cash equivalents, bank loans and overdrafts, receivables, creditors, forward foreign currency contracts, physical and exchange traded forward commodity contracts, marketable securities and agreements to purchase or sell such securities. The carrying amounts of financial instruments included in the balance sheet are set out below:

	At Fair Value through Profit or Loss $m	Loans and Receivables $m	Available for Sale $m	Cash on Deposit $m	Amortised Cost $m
Financial assets					
Trade and other receivables	–	3,527.6	–	–	–
Available for sale investments	–	–	18.9	–	–
Cash and cash equivalents	–	–	–	672.1	–
	–	**3,527.6**	**18.9**	**672.1**	**–**
Other financial assets					
Securities purchased under agreements to resell	–	9,887.1	–	–	–
Derivative financial instruments	398.5	–	–	–	–
Marketable securities	1,326.8	–	–	–	–
	1,725.3	**9,887.1**	**–**	**–**	**–**
Total financial assets	**1,725.3**	**13,414.7**	**18.9**	**672.1**	**–**
Financial liabilities					
Trade and other payables	–	–	–	–	(3,307.3)
Loans and overdrafts	–	–	–	–	(2,297.2)
	–	**–**	**–**	**–**	**(5,604.5)**
Other financial liabilities					
Derivative financial instruments	(301.6)	–	–	–	–
Securities sold under agreements to repurchase	–	–	–	–	(10,956.0)
Other financial instruments	(164.4)	–	–	–	–
	(466.0)	**–**	**–**	**–**	**(10,956.0)**
Total financial liabilities	**(466.0)**	**–**	**–**	**–**	**(16,560.5)**
At 30 September 2017	**1,259.3**	**13,414.7**	**18.9**	**672.1**	**(16,560.5)**

	At Fair Value through Profit or Loss $m	Loans and Receivables $m	Available for Sale $m	Cash on Deposit $m	Amortised Cost $m
Financial assets					
Trade and other receivables	–	3,776.0	–	–	–
Available for sale investments	–	–	13.7	–	–
Cash and cash equivalents	–	–	–	990.1	–
	–	**3,776.0**	**13.7**	**990.1**	**–**
Other financial assets					
Securities purchased under agreements to resell	–	9,449.0	–	–	–
Derivative financial instruments	885.0	–	–	–	–
Marketable securities	1,172.2	–	–	–	–
	2,057.2	**9,449.0**	**–**	**–**	**–**
Total financial assets	**2,057.2**	**13,225.0**	**13.7**	**990.1**	**–**
Financial liabilities					
Trade and other payables	–	–	–	–	(3,788.2)
Loans and overdrafts	–	–	–	–	(2,630.1)
	–	**–**	**–**	**–**	**(6,418.3)**
Other financial liabilities					
Derivative financial instruments	(621.0)	–	–	–	–
Securities sold under agreements to repurchase	–	–	–	–	(10,493.3)
Other financial instruments	(94.6)	–	–	–	–
	(715.6)	**–**	**–**	**–**	**(10,493.3)**
Total financial liabilities	**(715.6)**	**–**	**–**	**–**	**(16,911.6)**
At 30 September 2016	**1,341.6**	**13,225.0**	**13.7**	**990.1**	**(16,911.6)**

19. Financial instruments and financial risk management continued

The carrying amounts of financial assets and liabilities carried at amortised cost are not significantly different from their fair values.

All marketable securities are held for trading.

As at 30 September 2017 marketable securities with a fair value of $818.1 million (2016: $863.9 million) have been sold with a commitment to repurchase at a future date. The consideration received has been accounted for within "Financial liabilities" and measured at amortised cost.

Securities purchased under agreements to resell back to clients are categorised as "Loans and receivables". The Group has the right to re-pledge the collateral received. The consideration received under such re-pledges is accounted for within "Financial liabilities" and measured at amortised cost.

The following table shows the fair value of derivative assets, marketable securities, derivative liabilities held for trading and available for sale investments (2017 $11.5m; 2016: $5.7m) analysed by maturity period and by methodology of fair value estimation. IAS 39 sets out a fair value hierarchy which consists of three levels that describe the methodology of estimation as follows:

Level 1 – using quoted prices in active markets for identical assets or liabilities, such as exchange traded commodity derivatives, liquid corporate and government bonds, listed equities, foreign currency exchange derivatives, listed equity derivatives and synthetic derivatives of listed equities;

Level 2 – using quoted prices for a similar asset or liability, or using observable or market corroborated inputs to an industry standard model for the asset or liability such as physical commodity contracts, fixed income securities with valuation models based on observable market inputs; and

Level 3 – using inputs for the asset or liability that are not based on observable market data such as prices based on internal models or other valuation techniques where there is a high level of uncertainty, subjectivity and non-observability to the pricing inputs.

	Less than 1 year $m	1–2 years $m	2–3 years $m	3–4 years $m	4–5 years $m	More than 5 years $m	Total $m
Financial assets							
Level 1	437.7	1.2	–	–	–	–	438.9
Level 2	1,293.7	3.1	0.8	–	–	–	1,297.6
Level 3	–	–	–	–	–	–	–
	1,731.4	4.3	0.8	–	–	–	1,736.5
Financial liabilities							
Level 1	(50.4)	(1.5)	–	–	–	–	(51.9)
Level 2	(402.7)	(10.3)	(1.0)	–	–	–	(414.0)
Level 3	–	–	–	–	–	–	–
	(453.1)	(11.8)	(1.0)	–	–	–	(465.9)
Net fair value 30 September 2017	**1,278.3**	**(7.5)**	**(0.2)**	**–**	**–**	**–**	**1,270.6**

Notes to the consolidated financial statements continued

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19. Financial instruments and financial risk management continued

	Less than 1 year $m	1–2 years $m	2–3 years $m	3–4 years $m	4–5 years $m	More than 5 years $m	Total $m
Financial assets							
Level 1	715.8	4.1	–	–	–	–	719.9
Level 2	1,339.9	2.6	0.5	–	–	–	1,343.0
Level 3	–	–	–	–	–	–	–
	2,055.7	6.7	0.5	–	–	–	2,062.9
Financial liabilities							
Level 1	(386.6)	(0.4)	–	–	–	–	(387.0)
Level 2	(311.5)	(11.6)	(3.8)	(1.7)	–	–	(328.6)
Level 3	–	–	–	–	–	–	–
	(698.1)	(12.0)	(3.8)	(1.7)	–	–	(715.6)
Net fair value 30 September 2016	**1,357.6**	**(5.3)**	**(3.3)**	**(1.7)**	**–**	**–**	**1,347.3**

The Group held no financial instruments in the level 3 fair value hierarchy and there were no transfers between levels during the year.

Day-one profit or loss

The fair value of contracts not recognised through the profit or loss at 30 September 2017 was $Nil (2016: $Nil).

Financial risk management objectives and policies

In the ordinary course of business, as well as from its use of financial instruments, the Group is exposed to credit risk, liquidity risk, foreign currency risk, interest rate risk, commodity price and other market risks. Effective risk management is a fundamental aspect of the Group's business operations. The policies for managing each of these risks are summarised below.

The Group Risk Committee ("GRC") operates under delegated authorities to oversee the management of these risks. The responsibilities of the GRC include establishing policies and procedures to manage risks and to review actual and potential exposures arising from the Group's operations.

The function of the GRC is to set risk policies and limits and ensure compliance with the risk control framework of the Group. The GRC provides assurance to the Board that the Group's credit and market risk exposures are governed by appropriate policies and procedures, and that risks are identified, measured and managed in accordance with established Group policies.

The Group's Treasury function is responsible for the management of liquidity risk, including funding, settlements and related policies and processes.

Capital management

The Group's objective in managing its capital is to preserve its overall financial health and enhance shareholder value by investing in the Group, while generating sustainable long-term profitability. The Group manages its capital structure in light of economic conditions and its strategic objectives. The management of the capital structure is conducted by the Board of Directors, the GRC and the Group's Treasury function.

A key component in managing the Group's capital risk is the employee ownership structure which aligns the interests of shareholders and management. With employees and management having capital invested in the Group there is considerable motivation to take a long-term approach and protect the capital base.

The principal measure used by the Group in its capital management is the balance of shareholders' funds attributable to equity shareholders:

	2017 $m	2016 $m
Total net assets attributable to non-controlling interest and equity shareholders	**867.1**	976.7
Less: Non-controlling interest	**(46.6)**	(44.3)
Shareholders' funds attributable to equity shareholders of ED&F Man Holdings Limited	**820.5**	932.4

19. Financial instruments and financial risk management continued

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the performance of a business. The Group's primary market exposures are to commodity price risk, foreign currency exchange risk and interest rate risk which could impact the value of the Group's financial assets, liabilities or future cash flows.

IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes to relevant market risk variables on the Group's profit or loss. Each type of market risk is subject to varying degrees of volatility. Sensitivity analysis has been calculated using a 5% basis, holding all other variables constant, across each type of market risk. It is important to note that these sensitivities are hypothetical and should not be considered to be predictive of future performance or future price movements.

(a) Commodity price risk

The Group manages its exposures to commodity price risk by matching physical commodity sale and purchase contracts, and by hedging on futures markets where available. Price risk exposures are monitored daily by Divisional Risk Managers and reported and reviewed weekly by Divisional Risk Committees and the GRC.

For derivative contracts on the futures markets the sensitivity of the net fair value to an immediate 5% increase or decrease in underlying commodity prices would have been $9.3 million at 30 September 2017 (2016: $20.4 million).

(b) Foreign currency exchange risk

The Group's policy is not to speculate on foreign currency and this is enforced through the Group's Delegated Authorities, Minimum Control Standards and written mandates which specifically prohibit speculation on foreign currency, and require cover to be taken on transactions when exposures arise. Subsidiaries manage foreign currency transactional exposure via 'natural hedges', including offset by an opposite exposure to the same risk (such as a purchase and a sale in the same currency), by financing through non-functional currency borrowings, and by daily or immediate spot and forward currency transactions. As a result, the Group has minimal exposure to transactional foreign currency risk.

(c) Interest rate risk

Other than the Group's outstanding long-term debt issued on a fixed rate basis, the Group's policy is to borrow funds at floating rates of interest that broadly match the period in which the Group owns or economically finances its underlying commodity purchases. The Group's borrowings of $2,297.2 million (2016: $2,630.1 million) are predominantly denominated in US Dollars, Sterling and Euros. The Group's profit or loss is influenced by interest rates. The effect on profit before tax of a 50 basis point movement in interest rates on the borrowings identified above would be $9.4 million (2016: $11.5 million) based on the Group's borrowings at the balance sheet date assuming all other factors remained constant for one year. The net financing costs of $79.6 million (2016: $78.1 million) includes $47.0 million of interest income (2016: $21.0 million).

This analysis ignores the impact of interest rates on commodity prices, which may mitigate the exposure to interest rate risk.

Credit risk

The Group is exposed to credit risk from its operating activities and certain financing activities. Financial assets which potentially expose the Group to credit risk consist of exposures to outstanding trade receivables in the event of non-performance by a counterparty, deposits with financial institutions, marketable securities (generally US sovereign bonds) and derivative financial instrument default risk on undelivered forward transactions.

Concentrations of credit risk arise when changes in economic, industry or geographic factors affect groups of counterparties who are involved in similar activities, or operate in the same industry, sector or geographical area, and whose aggregate credit exposure is significant to the Group's total credit exposure. The Group's exposure to credit risk is broadly diversified along industry, product and geographic lines, and transactions are conducted with a diverse group of customers, suppliers and financial institutions.

The Group manages its exposure to credit risk through credit risk management policies. On entering into any business contract, the extent to which the arrangement exposes the Group to credit risk is considered. The Group's Risk Committees control credit risk through the credit approval process for counterparties, setting limits for all counterparties, carrying out an annual reassessment of significant counterparty limits, and monitoring individual exposures against limits. These committees review ageing of receivables, net payment risk, pre-finance and market default exposures, inventories limits, cash limits, non-current asset limits, and bond and guarantee limits. In addition, the Group sets total exposure limits for each country. All country limits are approved by the GRC.

Notes to the consolidated financial statements continued
for the year ended 30 September 2017

19. Financial instruments and financial risk management continued
Before trading with a new counterparty can begin, its creditworthiness is assessed and a credit rating is allocated together with a credit exposure limit. The assessment takes into account all available qualitative and quantitative information about the counterparty and the group, if any, to which the counterparty belongs. The counterparty's location, business activities, trading history, proposed volume of business, financial resources, and business management processes are taken into account to the extent that this information is publicly available or otherwise disclosed to the Group by the counterparty, together with any external credit ratings.

Once assigned a credit rating, each counterparty is allocated a maximum exposure limit. Creditworthiness continues to be evaluated after transactions have been initiated and a watch list of higher risk counterparties is maintained and monitored.

The maximum credit exposure associated with financial assets is equal to the carrying amount plus any credit commitments to counterparties that are unutilised and are analysed below. The Group mitigates risk by entering into contracts that permit netting and allow for termination of a contract in the event of default. Trade receivables and derivative financial instrument movements are presented on a net basis where unconditional netting arrangements are in place with counterparties, and where there is intent to settle amounts due on a net basis. Gross derivative financial instrument liabilities not netted against derivative financial assets totalled $301.6 million (2016: $621.0 million) and are shown in liabilities on the balance sheet.

	2017 $m	2016 $m
Maximum credit exposure		
Trade and other receivables	**1,746.7**	1,576.7
Amounts owed by joint ventures and associates	**388.8**	278.5
Securities purchased under agreements to resell	**9,887.1**	9,449.0
Margins with exchanges	**1,413.8**	1,949.7
Derivative financial instruments	**398.5**	885.0
Marketable securities	**1,326.8**	1,172.2
Cash and cash equivalents	**672.1**	990.1
	15,833.8	16,301.2

The Group applies a conservative approach to counterparty risk and counterparty creditworthiness. The credit quality of financial assets is considered to be high. Trade receivables are collected where possible under documentary collections presented through prime banks. The Group may also require collateral or other credit enhancements such as cash deposits, letters of credit, pledged inventories or parent company guarantees to reduce or offset credit risk. As at 30 September 2017, $103.4 million of the trade receivables have collateral pledged (2016: $564.9 million). The fair value of such collateral and credit enhancements, including cash deposits, pledged inventories, parent company guarantees and letters of credit was $145.1 million (2016: $670.1 million). The amounts disclosed in the financial instruments analysis are shown without the benefit of risk mitigation through insurance, collateral or other credit enhancements. During the year the Group repossessed collateral with a value of $Nil (2016: $15.7 million). Amounts owed by joint ventures and associates benefit from charges over assets.

Receivables arising from securities purchased under agreements to resell back to clients are collateralised by the underlying securities. As at 30 September 2017 the receivables in respect of such transactions were $9,887.1 million (2016: $9,449.0 million). As at 30 September 2017 the securities held as collateral net of obligation to clients had a market value of $10,223.2 million (2016: $9,772.0 million) and were comprised principally of US Treasury and US Agency Securities. The collateral is valued daily and the Group may require clients to deposit additional collateral or return collateral pledged as appropriate.

As at 30 September 2017, marketable securities of $1,326.8 million (2016: $1,172.2 million) comprised principally US Treasury Securities, US Government Agency and US Government Sponsored Securities.

19. Financial instruments and financial risk management continued
The analysis of trade receivables, net of allowance for credit losses, is as follows:

	2017 $m	2016 $m
Trade receivables		
Neither impaired nor past due	**1,387.9**	1,264.9
Not impaired and past due in the following periods:		
Within 30 days	**125.4**	85.9
31 to 60 days	**78.2**	29.5
61 to 90 days	**11.7**	10.3
Over 90 days	**5.8**	24.6
	1,609.0	1,415.2

The movement in the allowance for credit losses is set out below:

	2017 $m	2016 $m
Allowance for credit losses		
Balance brought forward	**71.8**	90.3
Charge for the year	**20.4**	7.6
Utilisation	**(13.0)**	(6.6)
Reversal	**(5.0)**	(19.5)
Balance carried forward	**74.2**	71.8

Liquidity risk
Liquidity risk is the risk that the Group may not be able to settle or meet its obligations on time. The principal objective of the Group's Treasury function is to manage liquidity and interest rate risks. The Group's Treasury function centrally coordinates relationships with banks, borrowing requirements, foreign exchange requirements, and cash management. Other responsibilities include management of the Group's cash resources and structure of borrowings, monitoring of all significant treasury activities undertaken by the Group, benchmarking significant treasury activities, and monitoring banking loan covenants to ensure continued compliance. The Group manages its liquidity risk on a consolidated basis, utilising various sources of finance to maintain flexibility. Unless restricted by local regulations, subsidiaries pool their cash surpluses with Group Treasury which arranges to fund each subsidiary's requirements, invests any surplus in the market, or arranges for external borrowings, while managing the Group's overall net currency positions.

The Group's liquidity risk management strategy includes structuring its financing facilities to meet funding requirements, with access to committed and bilateral credit lines from a diverse range of banks, as well as maintaining a portfolio of cash and liquid investments. The Group monitors its level of debt and liquidity risk taking into account cash balances, readily marketable securities and readily marketable commodity inventories. Such inventories are considered to be readily convertible into cash due to their quality, liquid nature, short duration and the existence of widely available markets.

The Group has committed, unsecured facilities of $3,259 million (2016: $3,050 million), which include medium-term multicurrency syndicated facilities of $1,641 million (2016: $1,600 million) and 364 day revolving facilities of $1,535 million (2016: $1,450 million). Together these facilities give the Group flexibility to borrow and repay debt as and when appropriate. Debt drawn under these facilities at 30 September 2017 was $1,648 million (2016: $1,965 million).

The Group also has $155 million of fixed interest notes which expire between 2021 and 2026. In addition the Group also has other drawn debt facilities of $482.0 million (2016: $510.0 million). During the year, the Group incurred interest expenses of $126.6 million (2016: $99.1 million) of which $29.7 million related to interest incurred on facilities due after more than one year (2016: $29.0 million).

The maturity profile below of bank loans and overdrafts is based on the earliest undiscounted contractual repayment dates. Loans and overdrafts are drawn from the medium-term and short-term committed facilities described above and in note 18.

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

19. Financial instruments and financial risk management continued

	Trade payables $m	Loans and Overdrafts $m	Derivative Financial Instruments $m	Securities Sold Under Agreements to Repurchase $m	Other Financial Instruments $m
Financial liabilities					
Within 1 month	819.7	1,836.3	155.1	9,818.0	164.4
1 to 3 months	1,943.6	167.2	77.9	1,137.7	–
3 months to 1 year	17.4	62.3	55.8	0.3	–
1 to 2 years	–	28.4	11.8	–	–
2 to 5 years	–	79.4	1.0	–	–
More than 5 years	–	123.6	–	–	–
At 30 September 2017	**2,780.7**	**2,297.2**	**301.6**	**10,956.0**	**164.4**
Financial liabilities					
Within 1 month	3,202.4	2,093.0	404.3	10,399.4	94.6
1 to 3 months	95.1	141.6	101.2	93.9	–
3 months to 1 year	12.8	152.3	98.0	–	–
1 to 2 years	–	12.5	12.0	–	–
2 to 5 years	–	110.7	5.5	–	–
More than 5 years	–	120.0	–	–	–
At 30 September 2016	**3,310.3**	**2,630.1**	**621.0**	**10,493.3**	**94.6**

The Group uses cash flow hedges to mitigate the risk of exposure to changes in the sugar price in certain of its beet sugar production operations. The hedges are effected by selling forward on sugar futures exchanges. At 30 September 2017, the fair value of such hedging instruments was an asset of $3.6 million (2016: liability of $17.7 million). Related cash flows are all expected to occur and to affect Group profit or loss within one year of the balance sheet date.

20. Provisions

	Legal Claims $m	Other Provisions $m	Total $m
At 1 October 2016	3.2	8.2	11.4
Charge	2.8	16.7	19.5
Utilised	(0.5)	(0.4)	(0.9)
Written back	(2.2)	(2.3)	(4.5)
At 30 September 2017	**3.3**	**22.2**	**25.5**

The provision for legal claims represents the directors' best estimate of the probable present obligation from actual or potential legal claims arising from contract performance and other commercial matters which exist at the balance sheet date. These claims are at different stages of resolution and accordingly it is not possible to give a meaningful indication of the likely timing of the possible inflow or outflow of economic benefits associated with these claims. The level of provision has been arrived at by considering each outstanding legal claim and the circumstances giving rise to it.

Other provisions mainly relate to restructuring.

21. Share capital

	Allotted, called up and fully paid US$1 each		"A" Preference shares of US$1 each	
	Number	$m	Number	$m
At 30 September 2016 & 2017	119,800,602	119.8	64,505,722	64.5

22. Share premium account

	$m
At 1 October 2016	168.0
Acquisition of subsidiary	15.0
At 30 September 2017	**183.0**

23. Employee trusts

The Group operates employee trusts in which all expenses incurred are settled directly by the Group and charged to the profit or loss as incurred. The trusts are established with a view to encouraging, motivating and retaining employees, and providing benefit for employees in the event of either death or disablement by accident. The assets and liabilities of the trusts are included in the financial statements of the Company and the Group to the extent that assets have not been unconditionally allocated to specific employees.

The Trust holds 26,143,260 (2016: 26,626,093) shares in the Company, of which 21,074,337 (2016: 20,398,688) have been conditionally awarded to employees. The Trust buys and sells shares in the Company at the Fair Price calculated as defined in the Company's Articles of Association. The cost of the shares purchased and held by the Trust of $105.0 million (2016: $90.0 million) is deducted from shareholders' funds.

Share options

The Group makes conditional share awards to some employees under annual schemes based on the performance of the individual and of the Group. The schemes permit the employee to purchase a defined number of shares over a vesting period ranging from 1 to 5 years after the grant date of the award. The individual's total annual conditional share awards are exercisable at an aggregate price of $1 and lapse within a maximum of ten years after the grant date of award.

A charge in respect of employee share based payments is recognised in the profit or loss, with a corresponding entry in the profit or loss reserve, and reflects the fair value of the services received. The fair value of the service is determined using a valuation technique based on the fair value of the equity instruments granted, and is spread over the performance and vesting period. The charge to the profit or loss is adjusted based on an estimate of awards that will lapse prior to vesting. Each scheme is assessed individually and estimates of the number of lapses range from 0% – 12%.

The directors consider that the fair value of share awards is represented by the Fair Price of the Company's shares as at the date the award is granted. The charge for the year to 30 September 2017 was $26.3 million (2016: $32.9 million).

The following table illustrates the number and movements in share options during the year:

	Number of Shares 2017	Number of Shares 2016
Outstanding at 1 October	**20,398,688**	18,006,857
Granted	**5,708,073**	6,816,709
Exercised	**(4,475,229)**	(3,955,432)
Lapsed	**(557,032)**	(377,278)
Cancelled	**(163)**	(92,168)
Outstanding at 30 September	**21,074,337**	20,398,688

Notes to the consolidated financial statements continued

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23. Employee trusts continued

Exercisable as follows

	Number of Shares 2017	Number of Shares 2016
Immediately exercisable	**3,902,755**	2,629,621
October 2015 to September 2016	**–**	1,830,382
October 2016 to September 2017	**2,402,644**	6,493,365
October 2017 to September 2018	**6,915,637**	5,369,861
October 2018 to September 2019	**5,497,622**	3,963,100
October 2019 to September 2020	**2,345,516**	112,359
October 2020 to September 2021	**5,082**	–
October 2021 to September 2022	**5,081**	–
	21,074,337	20,398,688

Share purchase plan

The Group operates a share purchase plan whereby some employees are invited to acquire shares at the Fair Price. The shares are acquired immediately.

At 30 September 2017 and at 30 September 2016, the Group had no unexercised obligations under this plan.

24. Notes to the cash flow statement

(a) Group reconciliation of net cash flow from operating activities

	2017 $m	2016 $m
Revenue	**10,677.8**	8,235.3
Cost of sales	**(10,224.8)**	(7,550.0)
Selling and administrative expenses	**(451.8)**	(492.3)
	1.2	193.0
Adjustments for:		
Depreciation of property, plant and equipment	**41.8**	44.4
Amortisation of intangible assets	**4.7**	3.7
Expenses arising from share option plans	**26.3**	32.9
Effects of fair value	**29.4**	52.7
Movements in provisions	**0.9**	2.1
Operating cash flows before movements in working capital	**104.3**	328.8
Movement in inventories	**112.8**	(229.4)
Movement in biological assets	**2.4**	(4.7)
Movement in marketable securities	**(154.6)**	(87.4)
Movement in securities purchased/sold under agreements to resell/repurchase	**24.8**	(185.3)
Movement in receivables	**611.7**	(789.7)
Movement in payables	**(421.6)**	913.9
Cash generated/(used in) by operations	**279.8**	(53.8)
UK corporation tax paid	**(0.1)**	(1.1)
Overseas taxation paid	**(29.6)**	(37.7)
Net cash inflow/(outflow) from operating activities	**250.1**	(92.6)

24. Notes to the cash flow statement continued

(b) Group reconciliation of net cash flow to movements in net debt

	Note	2017 $m	2016 $m
(Decrease)/Increase in cash		**(317.7)**	186.2
Decrease/(Increase) in borrowings	25	**374.1**	(451.3)
Movement in net debt resulting from cash flows		**56.4**	(265.1)
Loans acquired on acquisition of subsidiary undertaking		**(40.9)**	–
Effect of change in exchange rates	25	**(0.6)**	(0.9)
Movement in net debt		**14.9**	(266.0)
Opening net debt		**(1,640.0)**	(1,374.0)
Closing net debt	25	**(1,625.1)**	(1,640.0)

25. Analysis of changes in net debt

	Cash and Cash equivalents $m	Current Liabilities $m	Non-current Liabilities $m	Net debt $m
At 1 October 2016	990.1	(1,793.6)	(836.5)	(1,640.0)
Cash flow	(317.7)	81.5	292.6	56.4
Loans acquired on acquisition of subsidiary undertaking	–	(40.9)	–	(40.9)
Exchange movements	(0.3)	(0.4)	0.1	(0.6)
At 30 September 2017	**672.1**	**(1,753.4)**	**(543.8)**	**(1,625.1)**

26. Financial commitments

The below table shows the maturity of future minimum lease payments under non-cancellable operating leases due:

	Plant and Machinery		Land and Buildings	
	2017 $m	2016 $m	2017 $m	2016 $m
Within one year	**15.3**	14.8	**10.9**	10.7
Between one and five years	**49.5**	48.0	**49.5**	47.7
After five years	**29.4**	32.8	**58.1**	45.5
	94.2	95.6	**118.5**	103.9

	2017 $m	2016 $m
Expenditure contracted for but not provided in the financial statements	**2.7**	3.7

Joint ventures and associates

The Group and Company's share of capital commitments, as at the end of the financial year, of its joint ventures and associates was $Nil (2016: $Nil).

27. Contingent assets and contingent liabilities

The credit facilities of the Group, as reported in note 19, have been guaranteed by the Company.

The Group has a number of favourable judgements in legal cases where settlement is due to be received. These prospective settlements are recognised in the financial statements when the cash is received or where its receipt is virtually certain.

The Group's share of contingent liabilities of associates and joint ventures incurred jointly with other ventures or investors was $Nil (2016: $Nil).

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28. Related party transactions

Group

During the year the Group entered into transactions, in the ordinary course of business, with related parties. All transactions between E D & F Man Holdings Limited and its subsidiaries are eliminated on consolidation.

	Sales		Purchases		Amounts owed from		Amounts owed to	
	2017 $m	2016 $m	**2017 $m**	2016 $m	**2017 $m**	2016 $m	**2017 $m**	2016 $m
Agricultural Commodities:								
Associates	**2.0**	41.8	**13.8**	21.8	**2.3**	4.3	**–**	–
Joint Ventures	**34.7**	35.5	**60.9**	91.4	**386.5**	274.2	**2.0**	3.1
Equity Investor	**0.4**	40.8	**37.1**	23.7	**–**	–	**–**	(0.4)
Brokerage:								
Associates	**–**	–	**–**	–	**–**	–	**–**	–
Joint Ventures	**–**	–	**–**	–	**–**	–	**–**	–

Amounts owed by joint ventures and associates benefit from charges over assets.

As at 30 September 2017 loans to directors of $23.8 million (2016: $29.8 million) are outstanding. Of these loans $23.5 million are non-interest bearing, repayable upon demand and fully-collateralised, and $0.3 million are interest-bearing, are repayable on demand and are fully-collateralised. During the year $1.4 million was repaid and no new loans were advanced. Loan balances relate to three directors in the amounts of $3.5 million, $7.0 million and $13.3 million.

The Group considers the only key management personnel to be the directors of the Company. Relevant compensation disclosures are contained in note 5.

29. Events after the financial period

There have been no significant subsequent events.

30. Group investments

The following subsidiaries and holdings are owned by the Group. The ownership of the Group is 100% unless otherwise stated.

Libertad 850 5ºb, Buenos Aires C1012AAR, Argentina: E D & F Man Liquid Products Argentina S.A., Suite 1, 80-82 Bathurst Street, Liverpool, NSW 2170, Australia: Cofi-Com Trading Pty Ltd, Schuttershofstraat9, Antwerp 2000, Belgium: E D & F Man Liquid Products Belgium N.V., Aon House, 30 Woodbourne Avenue, Pembroke HM 08, Bermuda: E D & F Man Holdings Insurances Limited, Avenida Brigadeiro Faria Lima nº 201, Conjunto 151, Pinheiros, CEP 05426-100, Sao Paulo, Brazil: Agrovia S.A. (31.53%), Rua Nazareth Do Prado 225, 37026.520 – Varginha – MG, Brazil: Copag – Cia Capital De Armazens Gerais S.A., Torres Empresariais Do Ibirapuera – Torre II, Av Ibirapuera 2332 – 10º Andar – Conju.102 – SP CEP 04 028–002, Brazil: E D & F Man Brasil S.A., Av. Ibirapuara, 2332 – 10º Andar – CONJ. 102, Indianapolis, 04028.002 – São Paulo – SP – Brazil: E D & F Man Volcafe Brasil Ltda, Torres Empresariais Do Ibirapuera – Torre II, Av Ibirapuera 2332 – 10O Andar – Conju.102 – SP CEP 04 028–002, Brazil: Volcafe Ltda, Avenida José De Souza Campos, 507 – 9º Andar (Parte), Bairro Cambuí, Campinas– SP – CEP 13.025-320, Brazil: ED & F Man Participações Financeiras Ltda, Rua General Mac Arthur 418, Sala 1004, Bairro Da Imbiribeira – Receife/PE – CEP 51.160-280, Brazil: Melaco Nassau Ltda (99%), Avenida Campos Sales, 211 Centro, Cidade De Jose Bonifacio, Estado De Sao Paulo, Cep 15208-000, Brazil: Alimentos Pr Brasil (26.71%),Suite 5300 TD Bank Tower, Box 48, 66 Wellington Street West, Toronto ON M5K 1E6, Canada: E D & F Man Canada Inc., 374 Third Avenue South, Saskatoon, SK S7K 1M5, Canada: Saskatchewan Limited, Belle Pulses Limited (20%), Rosario Norte 615, Piso 23, Las Condes, Santiago, Chile: E D & F Man Alimentos Limitada, E D & F Man Chile Holdings Spa, E D & F Man Chile S.A, Empresas Iansa S.A. (89.02%), Generacion Industrial (89.02%), Iansa Agencia Panama – Branch office, Iansagro S.A. (89.02%), Agromas (89.02%), Rosario Norte 615, 23rd Floor, Las Condes, Santiago, Chile: Agricola Terrandes (89.02%),Induexport Spa (89.02%), Induinversiones Spa (89.02%), Invernidu Spa (89.02%), Inversiones Iansa (89.02%), Patagonia Fresh (89.02%), Patagonia Invest (89.02%), LDA (89.02%), Sociedad De Inversiones Campos Chilenos S.A. (93.15%), Room 911, No. 111, Feng Pu Avenue, Industrial Zone, Shanghai, P.R.C. China: E D & F Man (Shanghai) Co. Ltd, The Crossway of Si Lan Road and Ban Shan Road, Simao District, Pu'er, Yunnan Province, China: Yunnan Volcafe Company Limited (51%), Calle 72 NO. 10-07 Office 1301 Santafé De Bogotá, Colombia: Carcafe Ltda C.I., Carretera a Heredia Del Puente Rio Virilla, San Jose 1000, Costa Rica: Beneficios Volcafe S.A., Café Capris S.A., Rublacedo S.A., PNO House, 3rd Floor, 3100 Limassol, Cyprus: Noxtran Holdings Limited (51%), Zvolenêves 86, Zvolenêves 273 25, Czech Republic: E D & F Man Ingredients s.r.o (70%), Masarykovo Náměstí, 3/3, Děčín 40502, Czech Republic: E D & F Man Liquid Products Czech Republic S.R.O., Gorrissen Federspiel, Silkeborgvej 2, 8000 Aarhus C, Denmark: E D & F Man Terminals Denmark ApS,

30. Group investments continued

Unit OT 17-42, Level 17, Central Park Offices, DIFC, Dubai: E D & F Man Capital Markets Mena Limited, 2nd Floor, Unit 7, Spot Mall First District, New Cairo, Fifth Settlement, Cairo, Egypt: E D & F Man Commodities Egypt Limited, E D & F Man Trading Egypt Limited (95%),3rd Floor Kilmore House, Park Lane, Spencer Dock, Dublin 1, Eire: E D & F Man Ireland Holdings Limited, E D & F Man Liquid Products Ireland Limited, E D & F Man Terminals Ireland Limited, 3 London Bridge Street, London SE1 9SG, England & Wales: Advanced Feed Fats Limited, Agman Holdings Limited*, Agman Investments Limited, Bauche SA Limited, E D & F Man Capital Markets Limited*, E D & F Man Capital Markets Treasury Management Plc*, E D & F Man Chile Limited, E D & F Man Cocoa Limited, E D & F Man Coffee Limited, E D & F Man Financial Services Holdings Limited*, E D & F Man Fishoils Limited, E D & F Man Liquid Products UK Limited, E D & F Man Metals Limited, E D & F Man Nicaragua Limited, E D & F Man Shipping Limited, E D & F Man Sugar Limited, E D & F Man Sugar Overseas Holdings Limited, E D & F Man Terminals UK Limited, E D & F Man Treasury Management Plc *,Eurasia Finance Management Limited, Faxcorner Limited, Femis Limited, Holco Man Limited, Holco Trading Co. Limited, L. K. & S. Trading Company Limited, Ruleastral Limited, Transition Feeds LLP (33.33%), E D & F Man Assets Management Limited, Maviga Limited, Maviga Europe Limited, E D & F Man Capital Markets Nominees Limited, 27-29 Rue Chateaudbriand, Paris 75008, France: Volcafe France S.A.S., Am Sandorkai 62, 20457 Hamburg, Germany: E D & F Man Deutschland Gmbh, Schlachte 3 – 5, Bremen 28195, Germany: Gollucke & Rothfos Gmbh, Hermann Haelssen Gmbh, 31 Ringway Estates, Osafoanye O.Broni Crescent, Accra, Ghana: E D & F Man Commodities West Africa Limited, No.10 Manyo Plange Street – P.O. Box CR 1466, Cantonments, Accra, Ghana: Maviga Ghana Limited, Diagonal 6, 13-27, Zone 10, Guatemala City CA 01010, Guatemala: Peter Schoenfeld S.A., Waelti-Schoenfeld Exportadores De Café S.A., 1 National Road, Shodecose, Port Au Prince, Haiti: Commerciale Sucriere S.A., Ave New Orleans Frente Al Instituto Tecnico Aleman, 3 Avenida Entre 28 Y 29 Calle, San Pedro Sula, Honduras: Molinos De Honduras S.A., Room 2003, C C WU Building, 302-308 Hennessy Road, Wanchai Road, Hong Kong: Arabica Coffee Roasters (Hong Kong) Limited (20%), Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong: E D & F Man Capital Markets Hong Kong Limited, E D & F Man (Far East) Limited, Stepford Company Limited, 2000 Szentendre, Harmut U.16, Hungary: E D & F Man Liquid Products Hungary K.F.T., 903-904, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400021,India: E D & F Man Commodities India Pvt. Limited, A-112, Sector 63, Noida-201201, Uttar Pradesh, India: Uniworld Sugars Pvt. Limited (50%), Menara Rajawah Lt. 12, Jl. Dr. Ide Anak Agung Gde Agung Lot #5.1, Setiabudi Jakarta Selatan, Indonesia: Pt E D & F Man Indonesia, Jl. Pasar Melintang No. 28, Desa Tanjung Selamat, Kec. Percut Sei-tuan, Deli Serdang 20371, Sumatera Utara, Indonesia: Pt Volkopi Indonesia, 5 Shvat St. Kiryat Gat 8202291 Israel: Sugat Industries Limited, 14 Abba Hillel St., Ramat Gan 5250607, Israel: Sugat International Ltd, 5 Shvat St. Kiryat Gat 8202291 Israel: Sugat Sugar Refineries Limited, Toree 1 – Unita 12 – 7° Floor, Viale Aldo Moro 64, Fiera District, Bologna 40127, Italy: E D & F Man Liquid Products Italia Srl, Abidjan-Zone Industrielle De Vridi, Rue Morris, 0l BP 3804 Abidjan 0l, Ivory Coast: Societe Ivoirienne De Produits Tropicaux Et Alimentaires S.A., 80 Kyo-Machi, Chuo-Ku, Kobe, Japan: Volcafe Ltd, Plot No 209/2069, Dennis Pritt Road, Po Box 49525-00100, Nairobi, Kenya: Mshale Commodities Limited, Simba Commodities Limited, Taylor Winch (Coffee) Ltd, Zambeco Trading Kenya Limited, PO Box 60272, 91012 Tawau Sabah, Malaysia : E D & F Man Cocoa Sdn Bhd, Tenth Floor, Raffles Tower, 19 Cybercity, Ebene, Republic of Mauritius: Kilombero Holdings Limited (26.67%), Paseo Lomas Altas No. 4030, Col. Lomas Altas, C.P.45129, Zapopan, Jal, Mexico: Agazucar S.A. De C.V. (30%), Paseo De Los Tamarindos Numero 60, Piso 4, Colonia Bosques De Las Lomas, Delegation Cuajimalpa De Morelos, Distrito Federal, CP 05120, Mexico : Azucar Grupo Saenz (49%), Volcan Quinceo No.523, Col. Paraisos Del Colli, C.P. 46069, Zapopan, Jal., Mexico: Compania Panamericana De Comercio S.A. De C.V. (50%), Andres Bello 10, Piso 14, Col. Chapultepec Polanco Miguel Hidalgo, C.P. 11560, Mexico: E D & F Man Capital Markets Mexico S.A. De C.V, Avenida José Vasconcelos Número 105, PISO 9, Oficina 902, Colonia Hipódromo Condesa, Delegación Cuauhtémoc, Distrito Federal, C.P. 06170, Mexico: E D & F Man Liquid Products Mexico S.A. De C.V., E D & F Man De Comercio S.A. De C.V., E. D. & F. Man De Mexico S.A. De C.V., E D & F Man De Servicios . A. De C.V., Intercomsa S.A. De C.V., MS Sugar S.A.P.I De C.V. (50.5%), Volcan Quinceo No.523, Col. Paraisos Del Colli, C.P. 46069, Zapopan, Jal., Mexico: Logiserv S.A. De C.V. (50%), Rua Voluntario de Lourenco Marques, Com Talho No.3418, Munhava-Beira, Sofala, Moçambique: E D & F Man Mocambique Limitada, Maviga Mozambique Limited (99%), De Ruyterkade 6, 6TH FLOOR, 1013 AA Amsterdam, The Netherlands: E D & F Man Holdings B.V., Man Land Investments Ukraine B.V., E D & F Man Liquid Products Nederland B.V., E D & F Man Molasses B.V., E D & F Man Ukraine Investments B.V., Feedimpex B.V., Hooiveld Scheepvaart En Transport B.V., Industrias El Palmar Holdings B.V., Sofpac B.V., Ukraine Farming Group B.V., ED & F Man Vietnam Holdings B.V., Noordzeedijk 113, 4671TL Dinteloord, The Netherlands: Limako B.V. (49%), Veerkade 7C, 3016 Rotterdam, The Netherlands: Nexco Holding B.V (33.33%), C/O Evenor VALDIVIA P. & Asociados Oficina De Leyes, Rotonda El Gueguense, 150, Metros Al Sur, Managua,Nicaragua: Distribuidora Y Comercializadora De Azucar S.A., Canal 2, Dos Cuadras Abajo, 1 Cuadra Al Lago Managua, Nicaragua: Servicios Azucareros Nicaraguenses S.A. (SANSA), Semaforo Enel Central, 2 Cuadras Al Sur, Media Cuadra, Al Este. Barrio Edgar Munguiam, Managua, Nicaragua: Volcafe De Nicaragua S.A., Suite C202, No 11 Dunukofia Street, Area 11, Garki, Abuja, Nigeria: E D & F Man West Africa Limited, 115 Palm Avenue, Mushin, Lagos State, Nigeria: Maviga West Africa Limited (99.99%), PWC Haus, Level 6, Harbour City, Konedobu, Port Moresby, National Capital District, PNG, Papa New Guinea: PNG Coffee Exports Ltd (90%), Av. Manuel Santenna Christi, 1151, Urbanizacion Santo Domingo De Guzman, Peru: Icatom (89.02%), Monte Rosas 255 Fourth Floor Office 309 Charcarilla, Santiago De Surco Lima, Peru: E D & F Man Peru Sac, Av. Pedro Ruiz Gallo Lote 124C – 125 A – ATE – Lima, Peru: Procesadora Del Sur S.A, Room 214, 2nd Floor

Notes to the consolidated financial statements continued

for the year ended 30 September 2017

30. Group investments continued

Capitol SUBD. Building, Bacolod, Negros Occidental, 6101 Philippines: Aeta Energy Philippines Inc. (99.99%), Unit 65 West Grace Office, 2200 SUBIC, Manila, Philippines: E D & F Man Commodities Philippines Inc., 37th Floor Rufino Pacific Tower, 6784 Ayala Ave., Makati City, Philippines: E D & F Man Philippines Inc., EGC Rising Tide Hauling Inc., Schuurmans & Van Ginneken Philippines Inc, 6784 Ayala Ave., 1226 Makati City Philippines: Honig Sugar Trading Corp. (50%), Zone Li Santo Rosario, 6100 Negros Occidental, Philippines: S&Q Logistics, Ul Grzybowska 4/125, Warsaw, 00-131, Poland: E D & F Man Commodities Sp. Z O.O., Ul. Al Grunwaldzka nr. 472, Gdańsk 80-309, Poland: E D & F Man Liquid Products Poland Sp z.o.o, Av Antonio Serpa, 23-7 Andar, Lisbon 1050-026, Portugal: E D & F Man Portugal Limitada, Rua Dr. Brito Camara No 20, 1st Floor, Funchal, Portugal: Global Sugar Trading- Comercio De Azucar Ltda, Estrada Da Graça Cachofarra, Setúbal 2910-524, Portugal: Uralada Portugal S.A., Centro De Distribución Del Norte, National Road 869, Palmas Ward, Cataño, Puerto Rico 00962: Envasadora De Azucar Inc. (35%), 17 Caltuna Entrance Street, 4th District, Bucharest, Romania: E D & F Man Commodities Romania SRL, Office 520, 5th Floor, Vasilisa Kozhina Str. 1, Moscow 121096, Russia: LLC "E D & F Man", Room 8K, 5th Floor, Vasilisa Kozhina Str. 1, Moscow 121096, Russia: LLC "E D & F Man Trading" (51%),8 Shenton Way # 16-02, 068811 Singapore: Asian Blending Pte Ltd, E D & F Man Asia Pte. Ltd, E D & F Man Singapore Pte. Ltd, E D & F Man Capital Markets (Singapore) Pte Ltd, Maritime Investment Holdings Pte Limited (50%), SIS '88 Pte Ltd, Volcafe Pte Ltd, Stredná 7, 945 01 Komárno, Slovak Republic: E D & F Man Liquid Products Slovakia S.R.O., Dunajska 22, 1000 Liubliana, Slovenia: E D & F Man D.O.O., Suites 1-3 Dalbergia, Forest Square, 11 Derby Place, Derby Downs Office Park, Westville 3629, South Africa: E D & F Man Liquid Products South Africa (Pty) Ltd, Block A, Surrey Park, 6 Barham Road, Westville, 3629 Durban, South Africa: Maviga ZA (Pty) Limited, 4th Floor, 8 Seochojungang-RO 22-Gil, Seocho-Gu, Seoul, Korea (Seocho-Dong), South Korea: E D & F Man Korea Limited, Calle Sagasta 27, 2 Izda, Madrid 28004, Spain: E D & F Man España S.A., Global Sugar Services S.L.U., Hermanos Vila Melazas S.A. (50%), Volcafe Iberia S.A., Technoparkstrasse 7, Winterthur 8406, Switzerland: E D & F Man Switzerland Ltd, Volcafe Holding Ltd, Volcafe Ltd, 26A Route De Coppet, Commugny, Near Geneva, CH-1291, Switzerland: Maviga SA, Msolwa Mill Office, Kidatau, Tanzania: Illovo Sugar Distillers (Tanzania) Limited (20%), Plot No 6, Block A, Moshi Munipality, Moshi, Kilimanjaro, Tanzania:Kahawa Endelevu Limited, Plot 2177/78, Block 205, Nkrumah-Gerezani, Dar Es Salaam, Tanzania: Kilombero Sugar Distributors Limited (80%), P.O.Box 524 Moshi, Tanzania: Taylor Winch (Tanzania) Ltd, Rafiki (Coffee) Ltd, Plot No, 2370/75c, Vingunguti, Dar Es Salaam, Tanzania: Maviga Tanzania Limited (99%), Maviga East Africa Limited (98%), Unit No 1404, 14th Floor, Tiffany Tower, Jumeirah Lakes Towers, Dubai,UAE: Maviga Middle East DMCC, 23F, Au Tower, Jumeirah Lakes Tower, Sheikh Zayed Road, Dubai,UAE: E D & F Man Gulf DMCC, Plaza Plot No 22/24, Kampala, Uganda: Mshale Commodities (Uganda) Limited, Kampala Industrial & Business Park – Namanve, P.O. Box 3181, Kampala, Uganda: Volcafe Uganda Limited, Kyagalanyi Coffee Ltd, 1, Sadova Str, Office 206, Mykolaiv, Mykolaiv Region, 54001, Ukraine: Agro Dilo Farm 1, Mala Morska Str, 108 Building, Office 805, Mykolaiv, Mykolaiv Region, 54002, Ukraine: Baya Agro Farm 3, 2, Zavodska Street, Pervomaiske Village, Vitovskiy District, Mykolaiv Region, 57232 Ukraine: LLC Ukrainian Sugar Company, 1, Sadova Str, Office 206, Mykolaiv, Mykolaiv Region, 54001, Ukraine:Ukraine Land Group LLC, 19-21 Bohdana Khmelnytskoho St., Kyiv, 01030, Ukraine: LLC ED & F Man Trading Ukraine, 810 Colonia Oficina 403, Montevideo, CP 11100, Uruguay: E D & F Man Uruguay S.A., Inancor S.A., Trazen S.A. (33%), Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19904 USA: Agman Louisiana Inc, 440 S LA Salle St, Chicago, IL60605, USA: C&H Option Trading Inc., 140 East 45th Street, 42nd FL. New York, New York 10017, USA: E D & F Man Capital Markets Inc, E D & F Man Client Services Inc., Cogency Global Inc., 10 East 40th ST., 10th Floor, New York, New York 10016, USA: Royal Ingredients Inc, Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19904, USA: E D & F Man Holdings Inc, E D & F Man Liquid Products Llc, E D & F Man Professional Trading Services Inc., National Registered Agents Inc., 160 Greentree Dr STE 101, Dover, Kent, Delaware 19904, USA: E D & F Man Services Inc., Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware 19801, USA: E D & F Man Sugar Inc, Cogency Global Inc., 850 New Burton Road, SUITE 201, Dover, Delaware 19904, USA: E D & F Man Grains LLC, Gold River Liquid Products Llc (51%), Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, Delaware 19808, USA: Royal Ingredients LLC, Trade Lifts LLC, United Corporate Services, 874 Walker Rd STE C, Dover, Kent, Delaware 19904, USA: Volcafe Specialty Coffee Corp, Cogency Global Inc., 850 New Burton Road, Suite 201, Dover, Delaware 19904 USA: Westway Feed Products LLC, 103 E Sparague Avenue, Spokane, WA 99202-1603, USA: Maviga NA Inc, Belle Pulses USA LLC (59.2%), 21st Century Agriculture Investment LLC (51%), Palouse Pulse LLC, Cagua, Municipality of Sucre in Aragua State, Corinsa Industrial Zone, Calle Lazo III, Unit No. 25, Postal Zone 2122, Venezuela: Nutramel S.A (50%), KM07, National Road 26, Buonmathuot City, Daklak Province, Av. Francisco De Miranda, Edif. Banco Del Orinoco Piso 9, Caracas, Venezuela: E D & F Man Venezuela S.A., Ipsa Inversiones C.A. (49%),Vietnam: Dakman Vietnam Co. Limited (66.4%), An Phuoc Industrial Park, Long Thanh Ward, Dong Nai Province: Volcafe Vietnam Co. Ltd.

* Directly held by E D & F Man Holdings Limited

31. Non-controlling interest

The material non-controlling interest in the Group relates to Campos Chilenos S.A. and its subsidiary IANSA. The Group has 93.15% ownership in Campos directly and 89.02% in IANSA, 49.21% directly and the remaining indirectly through the Campos ownership of 39.81%.

Company balance sheet

As at 30 September 2017

	Note	30 September 2017 $m	30 September 2016 $m
Fixed assets			
Investments	3	**460.0**	312.1
Current assets			
Debtors	4	**207.2**	254.6
Cash at bank and in hand		**51.2**	37.2
		258.4	291.8
Total liabilities	5	**(209.5)**	(94.5)
Net assets		**508.9**	509.4
Capital and reserves			
Share capital	21	**119.8**	119.8
Preference share capital	21	**64.5**	64.5
Share premium account	22	**183.0**	168.0
Capital redemption reserve		**14.5**	14.5
Retained earnings		**127.1**	142.6
Shareholders' funds attributable to equity interests		**508.9**	509.4

Approved by the Board of Directors on 1 December 2017 and signed on its behalf by:

Rafael Muguiro
Executive Chairman

Laurie Foulds
Chief Operating Officer

Company statement of changes in equity

for the year ended 30 September 2017

	Share Capital $m	Preference Share Capital $m	Share Premium Account $m	Capital Redemption Reserve $m	Retained Earnings $m	Total Equity $m
At 1 October 2016	119.8	64.5	168.0	14.5	142.6	509.4
Loss for the year	–	–	–	–	(18.4)	(18.4)
Movement in own shares and share option plans	–	–	–	–	8.7	8.7
Acquisition of subsidiary	–	–	15.0	–	–	15.0
Dividend paid on preference shares	–	–	–	–	(5.8)	(5.8)
At 30 September 2017	**119.8**	**64.5**	**183.0**	**14.5**	**127.1**	**508.9**
At 1 October 2015	138.2	46.1	168.0	14.5	132.9	499.7
Profit for the year	–	–	–	–	4.3	4.3
Movement in own shares and share option plans	–	–	–	–	16.7	16.7
Conversion of Ordinary shares to Preference shares	(18.4)	18.4	–	–	–	–
Dividend paid on preference shares	–	–	–	–	(11.3)	(11.3)
At 30 September 2016	**119.8**	**64.5**	**168.0**	**14.5**	**142.6**	**509.4**

Notes to the company accounts
for the year ended 30 September 2017

1. Accounting policies
The following accounting policies have been applied consistently in dealing with items which are considered material.

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS101). Under this standard the accounts have been prepared by applying a financial reporting framework based on the recognition and measurement requirements of EU-adopted IFRS, as amended where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, but with reduced disclosure requirements, on the basis that equivalent disclosures have been made in the consolidated financial statements of the Group.

The financial statements have been prepared under the historical cost basis in accordance with the Companies Act 2006 and EU-adopted IFRS. The financial statements have been rounded to the nearest $0.1 million.

FRS101 grants exemptions from the disclosures requirements of certain EU-adopted IFRS. The company has taken advantage of the following disclosure exemptions:

– No Statement of Cash Flows has been presented;
– The Financial Instrument disclosures required by IFRS7;
– Related Party disclosures in respect of transactions with wholly-owned members of the Group have not been presented;
– Certain disclosures in respect of Share Based Payments have not been presented; and
– Disclosures in respect of the estimated effect of new IFRSs issued but not yet effective have not been presented.

The Company is able to apply these exemptions as its financial statements are consolidated in the financial statements of the Group prepared under EU-adopted IFRS.

Foreign currency
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or an average rate for the year. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit or loss.

The Company's functional currency is United States Dollars as this is the functional currency of the majority of its subsidiary operations.

Fixed asset investments
Non-current asset investments in subsidiaries are included in the financial statements of the Company at cost less provisions for impairment.

Deferred taxation
In accordance with IAS 12, deferred taxation is provided fully and on a non-discounted basis at expected future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

Own shares
The cost of the Company's investment in its own shares, which comprises shares held by the ED&F Man 2000 Employee Trust ("the Trust") for the purpose of funding the Company's share option plans, is shown as a reduction in shareholders' funds. Further details of the Group's Employee Trusts can be found in note 23 to the consolidated financial statements.

Share-based payments
The Company issues equity-settled share-based payments. The fair value of these schemes at the date of grant is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

Financial instruments
The Company's principal financial assets and liabilities are cash at bank and borrowings. Cash at bank is carried in the balance sheet at nominal value. Borrowings are recognised initially at fair value and subsequently at amortised cost.

Profit for the year
As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit or loss account for the year.

2. Information relating to directors and employees
Information relating to directors' remuneration, pension entitlements and other benefits appears in Note 5 to the consolidated financial statements. The Company has no employees other than the directors.

3. Fixed asset investments of the Company

	2017 $m	2016 $m
Shares in subsidiaries at cost		
At 1 October	**312.1**	292.1
Additions	**147.9**	20.0
At 30 September 2017	**460.0**	312.1

Details of subsidiaries are shown in note 30 to the Consolidated Financial Statements.

4. Trade and other debtors of the Company

	2017 $m	2016 $m
Amounts falling due within one year		
Amounts owed by subsidiaries	**179.8**	215.7
Other debtors	**27.4**	38.9
	207.2	254.6

5. Trade and other creditors of the Company

	2017 $m	2016 $m
Amounts falling due within one year		
Amounts owed to subsidiaries	**95.9**	89.8
Other creditors[1]	**107.6**	4.7
	203.5	94.5
Amounts falling due more one year		
Other creditors	**6.0**	–
	209.5	94.5

1 Increase in Other creditors relates primarily to the Metals settlement referred to in note 4 on page 43.

Notes

Notes

Notes

Corporate information

Directors
R F Muguiro
M H Daniell
L P A Foulds
W H Heer
T Kölbl
R G Reason
N Vesterdal

Secretary
R J A Askew

Company registration number
3909548

Registered office
ED&F Man Holdings Limited
3 London Bridge Street
London
SE1 9SG

Auditor
Ernst & Young LLP
1 More London Place
London
SE1 2AF

Principal Bankers
ABN Amro
BNP Paribas
DBS
HSBC
ING
Natixis
Nedbank
Rabobank
Raiffeisen Bank
Societe Generale
Standard Chartered

ED&F Man Holdings Limited
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