E D & F MAN TREASURY MANAGEMENT plc

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Company Number: 3914178

E D & F MAN TREASURY MANAGEMENT plc

Directors

L P A Foulds	Resigned 14 October 2019
P Parness	
D E Singleton	
M G Broom	
L J-B Paravicini	Appointed 14 October 2019

Company secretary

R J A Askew

Company registration number

3914178

Registered office

E D & F Man Treasury Management plc
3 London Bridge Street
London
SE1 9SG

Auditor

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

Strategic Report

Principal activities, business review and future developments

The Company provides treasury services to the E D & F Man Holdings Limited group of companies. This includes coordinating relationships with banks, raising debt, managing cash resources, and managing interest-rate and foreign exchange risks.

The directors consider the future prospects of the Company to be good. The Company monitors performance on an on-going basis. The key performance indicator is considered to be profit after taxation. The Company expects no change in business model in the coming year.

Principal risks and uncertainties

The Company's business carries a number of risks and uncertainties including fluctuations in interest rates, foreign currency exchange rates, counterparty risks, country risks and operational risks which include insurance and legal risks in different jurisdictions. The Company mitigates these risks through hedging on futures markets and where appropriate, by using the services of legal, risk and insurance professionals.

Brexit preparedness

We are confident that we are prepared for implications of the UK exiting the EU in 2020. This year we monitored advice for businesses that emerged from the negotiations for Brexit and considered scenarios ranging from partial to complete disruption to Britain's access to the EU. Our assumptions on the transition timeline also ranges from immediate disruption to a phased withdrawal.

Our commodity trading businesses have a global outlook and the UK and European based entities are well prepared to contain the impact of tariff and non-tariff barriers to trade between UK and the EU.

Financial risks

Details of the Company's financial risks, including interest rate risk, credit risk, liquidity risk and foreign currency risk are set out in note 10 to the financial statements.

By Order of the Board

R J A Askew
Secretary
29 January 2020

Directors' Report

Company number: 3914178

The directors present their report and financial statements for the year ended 30 September 2019.

These financial statements 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 Company's ultimate parent.

The financial statements are prepared in US Dollars as this is the currency in which the majority of the Company's transactions are denominated.

Results and dividends

The audited financial statements for the Company are shown on pages 7 to 21. The loss for the year to 30 September 2019 after taxation amounted to $125,339,000 (30 September 2018 profit of: $8,319,000).

No dividend was declared or paid during the year (2018: Nil).

Financial risks and future developments

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

Political donations

The Company made no political donations in the current or prior year.

Directors

The directors who served during the year were as follows:

L P A Foulds	Resigned 14 October 2019
P Parness	
D E Singleton	
M G Broom	
L J-B Paravicini	Appointed 14 October 2019

Disclosure of information to the auditor

To the best of the directors' knowledge, there is no relevant audit information of which the Company's auditor is 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.

Directors' Report (continued)

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

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 profit or loss of the Company 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company 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

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements below.

As highlighted in note 10 to the financial statements, the Company meets its day-to-day working capital requirements through various sources of short and medium-term finance. Facilities of $1,384 million are due for renewal before September 2020. The Company'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 our 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 Company's banks and projected cash requirements, together with a confirmation of ongoing financial support from the parent company, the directors have a reasonable expectation that the Company 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

R J A Askew
Secretary
29 January 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN TREASURY MANAGEMENT plc

Opinion
We have audited the financial statements of E D & F Man Capital Markets Treasury Management plc for the year ended 30 September 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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 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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN TREASURY MANAGEMENT plc (continued)

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 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 4, 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 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 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.

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

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.

Ernst & Young LLP

Andy Smyth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 January 2020

Profit and Loss Account

For the year ended 30 September 2019

	Note	2019 $'000	2018 $'000 (Restated)
Operating expense	2	(2,130)	(2,264)
Interest receivable and similar income	4	190,943	159,670
Interest payable and similar charges	5	(134,781)	(140,801)
Operating profit		54,032	16,605
Impairment of debt	6	(169,608)	-
(Loss) / Profit before taxation		(115,576)	16,605
Taxation	7	(9,763)	(8,286)
(Loss) / Profit for the year		(125,339)	8,319

All operations are continuing.

The Company has no comprehensive income other than the profit and loss above.

Balance Sheet
At 30 September 2019

	Note	2019 $'000	2018 $'000 (Restated)
Non-current assets			
Debtors: amount falling due after more than one year	8	1,780	-
Current assets			
Cash at bank and in hand		84,959	4,462
Debtors: amount falling due within one year	8	2,087,316	2,405,545
		2,172,275	2,410,007
Total assets		2,174,055	2,410,007
Current liabilities			
Creditors: amount falling due within one year	9	(1,632,362)	(1,520,818)
Net current assets		539,913	889,189
Non-current liabilities			
Creditors: amount falling due after more than one year	9	(458,511)	(680,668)
Net assets		83,182	208,521
Capital and Reserves			
Called up share capital	11	78	78
Profit and loss account		83,104	208,443
Equity shareholders' funds		83,182	208,521

The financial statements on pages 7 to 21 were approved by the Board on 29 January 2020 and were signed on its behalf by:

M G Broom
Director

Statement of Changes in Equity
For the year ended 30 September 2019

	Called Up Share Capital $'000	Profit and Loss Account $'000	Total Equity $'000
At 1 October 2017	78	213,047	213,125
Impact from adoption of IFRS 9	-	(12,923)	(12,923)
At 1 October 2017 (restated)	78	200,124	200,202
Profit for the year (restated)	-	8,319	8,319
At 30 September 2018 (restated)	**78**	**208,443**	**208,521**
At 1 October 2018 (restated)	78	208,443	208,521
(Loss) for the year	-	(125,339)	(125,339)
At 30 September 2019	**78**	**83,104**	**83,182**

Notes to the Financial Statements

1. Accounting policies

Basis of accounting

E D & F Man Treasury Management plc is a public limited company incorporated and domiciled in England and Wales.

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 Company's ultimate parent.

The financial statements have been prepared under the historical cost basis as modified by the revaluation of certain financial instruments in accordance with the Companies Act 2006 and EU-adopted IFRS. The financial statements have been prepared on a going concern basis and rounded to the nearest $1,000.

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

- IFRS 7, 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement';
- Paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'; (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements';
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors';
- Paragraphs 17 and 18A of IAS 24, 'Related party disclosures';
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets'.

The Company is able to apply these exemptions as its financial statements are consolidated in the financial statements of its ultimate parent company, E D & F Man Holdings Limited (see note 12) prepared under EU-adopted IFRS.

Adoption of new standards

IFRS 9 - Financial Instruments

IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement" and covers classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

IFRS 9 modifies the classification and measurement of certain classes of financial assets and liabilities and required the Company to reassess classification of financial assets from four to three primary categories (amortised cost, fair value through profit and loss, fair value through other comprehensive income), reflecting the business model in which assets are managed and their cash flow characteristics. Financial liabilities continue to be measured at either fair value through profit and loss or amortised cost.

Notes to the Financial Statements (continued)

Accounting policies (continued)

IFRS 9 introduces an "expected credit loss" impairment model for financial assets carried at amortised cost, replacing the "incurred loss" model under IAS 39. Depending on whether deterioration in credit risk has been observed since recognition of an asset, expected credit losses are assessed based on "12 month expected credit losses" or on "lifetime expected credit losses".

Changes in accounting policies resulting from IFRS 9 have been applied retrospectively as at 1 October 2018, with any difference between the carrying amount of financial instruments under IAS 39 and the carrying amount under IFRS 9 being recognised in the opening retained earnings as at date of initial application. Restatement of comparative information for prior year has been reflected, where appropriate.

Summary of the change in classification and measurement of financial assets and liabilities under IFRS 9 and IAS 39:

	Original measurement category under IAS 39	New measurement category under IFRS 9	Carrying amounts under IAS 39 as at 30 September 2018 $'000	Carrying amount under IFRS 9 as at 1 October 2018 $'000
Current assets				
Cash at bank and in hand	Cash on deposit	Amortised cost	4,462	4,462
Debtors: amount falling due within one year	Loans and receivables	Amortised cost	2,439,979	2,405,545
Total current assets (restated)			2,444,441	2,410,007

IFRS 15 – Revenue from contracts with customers

IFRS 15 applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. Under this new standard, revenue is measured and recognised based on the identification of separate performance obligations to the customer. Revenue is recognised for each performance obligation when, or as, that obligation has been fulfilled and when control of goods or the benefit of a service has passed to the customer.

These financial statements are not affected by the new standard.

Prior year adjustment

Arrangement and commitment income were previously reported under Interest payable and similar charges. The Company has restated its comparative amounts.

The table below summarises the impact of the prior period adjustment on the Profit and Loss account. There is no impact of this prior year adjustment on the Company's balance sheet.

Notes to the Financial Statements (continued)

Accounting policies (continued)

	For the year ended 30 September 2018 $'000 As reported	For the year ended 30 September 2018 $'000 Restatement	Effect of IFRS 9 adoption recognised $'000	For the year ended 30 September 2018 $'000 (Restated)
Operating expenses	(2,264)	-	-	(2,264)
Interest receivable and similar income	154,148	27,033	(21,511)	159,670
Interest payable and similar charges	(113,768)	(27,033)	-	(140,801)
Profit on ordinary activities before taxation	38,116	-	(21,511)	16,605
Taxation	(8,286)	-	-	(8,286)
Profit for the year	29,830	-	(21,511)	8,319

Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 area as being critical to understanding the Company'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 are recorded at fair value and analysed into three hierarchy levels based on their valuation methodology, as per IFRS13. Refer to note 10 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.

Expected credit losses

The calculation of the expected credit losses requires management input into the probability of default (implied counterparty credit risk and sovereignty risk). Refer to note 10 for further information.

Functional and presentational currency

The functional and presentational currency of the Company is US Dollars as this is the currency in which the majority of the Company's transactions are denominated.

Notes to the Financial Statements (continued)

Accounting policies (continued)

Financial instruments

The Company uses various derivative financial instruments as economic hedges to reduce certain exposures to foreign exchange risks and interest rate risks. These include forward currency contracts, currency swaps and interest rate swaps. Derivative financial instruments are fair valued and shown as assets or liabilities within the Balance Sheet, and changes in fair value recorded in the Profit and Loss account.

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

The Company's valuation strategies for financial instruments utilise, as far as possible, quoted prices on an active market. Valuations fall into 3 levels of reliability:

Level 1	-	utilises quoted prices on 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 inputs
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

Impairment of financial assets

A loss allowance for expected credit losses is determined for all financial assets, other than those at fair value through profit or loss, at the end of each reporting period. The expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Company applies the simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit losses on these financial assets is estimated using a provision matrix by reference to past default experience and an equivalent credit rating, adjusted as appropriate for current observable data and forward-looking information.

For all other financial assets at amortised cost, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition, which is determined by:

- A review of overdue amounts,
- Comparing the risk of default at the reporting date and at the date of initial recognition, and
- An assessment of relevant historical and forward-looking quantitative and qualitative information.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

The Company considers an event of default has materialised and the financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Company without taking into account any collateral held by the Company or if the financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Notes to the Financial Statements (continued)

Accounting policies (continued)

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance costs in respect of the reporting period and reduced by repayments made in the period.

Foreign currencies

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 and loss account.

Interest receivable

Interest receivable, is recognised when the right to receive the interest has been established and it is probable economic benefits will flow to the Company.

Taxation

Tax on the profit and loss for the year comprises current and deferred taxation. Tax is recognised in the Profit and Loss Account. Current taxation is the expected tax payable on the taxable profit for the year and any adjustments to tax payable in respect of previous years.

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.

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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the year-end date.

2. Operating expense

The audit fee was borne by another group entity. The total audit and non-audit fees paid to the auditor in respect of services provided to the E D & F Man Holdings Limited Group are included in the Group Financial Statements.

Employees of Agman Holdings Limited, a fellow group Company, manage the day to day activities of E D & F Man Treasury Management plc and the Company receives a recharge for these services. This recharge includes all costs associated with the operations of E D & F Man Treasury Management plc.

3. Directors and other employees

There were no employees of the Company (2018: Nil). The Company has no direct employees. The Company receives a recharge for services provided by Agman Holdings Limited, a fellow group company. This recharge includes all costs associated with the operations of E D & F Man Treasury Management plc.

Notes to the Financial Statements (continued)

Directors and other employees (continued)

The directors of the Company receive emoluments for their services as employees of other group companies within the E D & F Man Holdings Group. Emoluments received by directors therefore relate to a number of qualifying and non-qualifying services provided to a range of companies. Directors do not receive any incremental remuneration in respect of their services for the Company. As such the directors do not believe it is possible to produce a meaningful allocation of total emoluments in relation to their services as directors of this company.

4. Interest receivable and similar income

	2019 $'000	2018 $'000 (Restated)
Interest receivable from:		
- group undertakings	190,173	159,289
- other loans	770	381
	190,943	159,670

5. Interest payable and similar charges

	2019 $'000	2018 $'000 (Restated)
Interest payable on:		
- loans from group undertakings	22,689	24,338
- bank loans and overdrafts	112,092	116,463
	134,781	140,801

6. Impairment of debt

The Company has loans and receivables due from ED&F Man De Comercio S.A. De C.V. who in turn fund the Group's Azucar Grupo Saenz (AGS) joint venture. The Company has performed an impairment assessment in respect of these loans and receivables. AGS was once again loss-making in the year, and AGS initiated a process to sell its sugar mills shortly before the end of our financial year. This process is expected to be concluded in 2020. Given that the sale process is still underway, the actual sales proceeds, which are a key driver of the impairment estimate, are not yet determined and therefore the impairment assessment carries a high degree of judgement. The assessment was made after considering information from the sales process (including initial non-binding offers), and review of the financial position of each of the mills. Local advisers were engaged to provide expertise in assisting the Company with certain inputs that are relevant to the impairment assessment. Given the judgmental nature of the assessment, sensitivity analysis has been performed in evaluating the quantum of the impairment to be recognised. The most significant judgments were in the structure of the potential sale, and the most significant estimates have been around the expected sales proceeds. Any variation in the actual sales proceeds compared to the estimates used in our modelling would lead to a corresponding adjustment to the impairment. As a result of the assessment the Company has recorded a write down of $169 million against the loans and receivables related to AGS, which comprises a $21 million impairment of accrued interest and a $148 million impairment of the receivables. As at 30 September 2019, as part of the Group's restructuring exercise the Company has transferred these loans and receivables to Agman Holdings Limited (wholly owned subsidiary of ED&F Man Holdings Limited).

Notes to the Financial Statements (continued)

7. Tax on profit on ordinary activities

	2019	2018
	$'000	$'000 (Restated)
(Loss) / Profit ordinary activities before taxation	(115,576)	16,605
Add: Expenses not deductible for tax purposes	168,124	21,511
	52,548	38,116
Profit on ordinary activities at UK tax rate of 19.0% (2018: 19.0%)	(9,984)	(7,242)
Adjustment in respect of prior years	221	-
Withholding tax	(6,320)	(8,286)
Double taxation relief	6,320	7,242
	(9,763)	(8,286)

8. btors

	2019 $'000	2018 $'000 (Restated)
Amounts falling due within one year		
Amounts owed by group undertakings	2,074,594	2,402,631
Derivative financial instruments	12,722	2,914
	2,087,316	2,405,545
Amounts falling due after more than one year		
Derivative financial instruments	194	-
Prepayments and accrued income	1,586	-
	1,780	-

9. Creditors

	2019 $'000	2018 $'000
Amounts falling due within one year		
Bank loans and overdrafts	1,218,562	1,139,967
Amounts owed to group undertakings	401,543	366,258
Derivative financial instruments	8,695	10,813
Accruals and deferred income	3,562	3,780
	1,632,362	1,520,818

	2019 $'000	2018 $'000
Amounts falling due after more than one year		
Bank loans and fixed interest notes	458,121	680,668
Derivative financial instruments	390	-
	458,511	680,668

Notes to the Financial Statements (continued)

Creditors (continued)

	2019	2018
Bank loans, overdrafts and fixed interest notes may be analysed as follows:	$'000	$'000
Amounts falling due:		
In one year or less	1,218,562	1,139,967
In more than one year but no more than five years	423,271	565,668
In more than five years	34,850	115,000
	1,676,683	1,820,635

10. Financial assets and liabilities

IFRS 9: 'Financial Instruments' contain definitions of financial assets and liabilities and describe different categories of each. An analysis of the financial assets and liabilities analysed into these categories is set out below.

The Company's primary financial instruments comprise cash, loans, and forward foreign exchange contracts.

In the ordinary course of business, as well as from its use of financial instruments, the Company is exposed to credit risk, liquidity risk, foreign currency risk and interest rate risk.

	At Fair Value Through Profit and Loss	Amortised cost
	$'000	$'000
Financial assets		
Intercompany and other debtors	-	2,074,594
Derivative financial instruments	12,916	-
Prepayments and accrued income > 1yr	-	1,586
Cash at bank and in hand	-	84,959
Financial liabilities		
Trade and other creditors	-	(2,078,226)
Derivative financial instruments	(9,085)	-
At 30 September 2019	3,831	82,913

Notes to the Financial Statements (continued)

Financial assets and liabilities (continued)

	At Fair Value Through Profit and Loss	Amortised cost (Restated)
	$'000	$'000
Financial assets		
Intercompany and other debtors	-	2,402,631
Derivative financial instruments	2,914	-
Cash at bank and in hand	-	4,462
Financial liabilities		
Trade and other creditors	-	(2,178,995)
Derivative financial instruments	(10,813)	-
At 30 September 2018	(7,899)	228,098

The Company considers that the carrying amount of assets and liabilities approximates their fair value.

IFRS 13 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 and foreign currency exchange derivatives;

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;

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.

The only financial assets and liabilities measured at fair value are derivative financial instruments and structured inventory products. All are deemed to be Level 1 within the Fair Value hierarchy and are due to be settled in a period not exceeding one year.

The Company held no financial instruments in the level 2 or level 3 fair value hierarchy and there were no transfers between levels during the year.

Financial risk management objectives and policies

In the ordinary course of business the Company is exposed to credit risk, liquidity risk and foreign currency risk. Effective risk management is a fundamental aspect of the Company's business operations. The policies for managing each of these risks are summarised below.

Capital management

The Company's objective in managing its capital is to preserve its overall financial health, while generating sustainable long-term profitability. The Company manages its capital structure in light of the needs of the business. The management of the capital structure is conducted by the Board of Directors.

Foreign currency exchange risk

The Company manages exposures to foreign currency fluctuations by entering into spot or forward foreign currency contracts. The presentational currency of the Company's financial statements is US Dollars, as this is the currency in which the majority of the Company's activities is conducted.

Notes to the Financial Statements (continued)

Financial assets and liabilities (continued)

Credit risk

Credit risk is the potential exposure of the Company to loss in the event of non-performance by a counterparty. The Company controls credit risk through credit approval processes for new counterparties, credit limits for all counterparties, annual reassessment of significant counterparty limits, weekly monitoring of individual exposures against limits, and monthly reviews of exposures against limits by the Company's risk function.

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 Company mitigates risk by entering into contracts that permit netting and allow for termination of a contract in the event of default.

Expected credit losses are calculated on a net receivable basis (net position with the counterparty). Summary of expected credit loss provision is set out below:

As at 30 September 2019

	$'000	$'000	$'000	$'000	$'000
Credit rating risk	**Low**	**Medium**	**High**	**Very High**	**Total**
Net receivables	1,919,109	10,804	-	175,497	2,105,410
Probability of default	0.5%	5.0%	10.0%	13.0%	
Expected credit losses	(9,596)	(540)	-	(22,814)	(32,950)

As at 30 September 2018

	$'000	$'000	$'000	$'000	$'000
Credit rating risk	**Low**	**Medium**	**High**	**Very High**	**Total**
Net receivables	2,280,829	15,802	-	171,075	2,467,706
Probability of default	0.5%	5.0%	10.0%	13.0%	
Expected credit losses	(11,404)	(790)	-	(22,240)	(34,434)

	2019 $'000	2018 $'000 (Restated)
Maximum credit exposure		
Amounts owed by group undertakings	2,107,544	2,437,065
Cash at bank and in hand	84,959	4,462
	2,192,503	2,441,527

Notes to the Financial Statements (continued)

Financial assets and liabilities (continued)

Liquidity risk

Liquidity risk is the risk that sources of funding for the Company and E D & F Man Holdings Limited Group's business activities may not be available. This risk is managed on the Group's behalf by the Company.

The Company places any surplus cash on short term deposit. The Company has committed, unsecured facilities of $1,730 million (2018: $2,162 million), which include medium-term multicurrency syndicated facilities of $911 million (2018: $1,156 million), 364 day revolving facilities of $777.5 million (2018: $925 million) and medium-term Euro facilities of $41.5 million (2018: $81 million). Together these facilities give the Company flexibility to borrow and repay debt as and when appropriate.

Debt drawn under these facilities at 30 September 2019 was $1,367 million (2018: $1,511 million). The Company has drawn $123 million (2018: $132 million) under uncommitted, unsecured facilities and the Group also has $155 million of fixed interest notes which expire between 2021 and 2026.

Interest rate risk

The Company's policy is to borrow funds at floating rates of interest that broadly match the period in which the Company owns or economically finances its underlying commodity purchases. The Company's borrowings of $1,686.5 million (2018: $1,833.6 million) are predominantly denominated in US Dollars, Sterling and Euros. The Company'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 $7.5 million (2018: $7.7 million) based on the Company's borrowings at the balance sheet date assuming all other factors remained constant for one year.

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

11. Share capital

	Authorised		Allotted, called up and fully paid	
	Number	$'000	Number	$'000
Ordinary shares of $1 each attributable to equity interests				
At 1 October 2018 and 30 September 2019	10,000,000	10,000	2	-
Redeemable shares of £1 each attributable to equity interests				
At 1 October 2018 and 30 September 2019	50,000	50	50,000	50
				$'000
Converted to US dollars				78

Each ordinary share represents one vote and no other rights, preferences or restrictions exist.

The sterling Redeemable shares are converted into United States Dollars at the fixed rate of $1.56 to £1. The underlying share capital value, however, remains in sterling. At 30 September 2019, this resulted in a statement of increased value compared with the rate of exchange current at the date of the balance sheet.

Notes to the Financial Statements (continued)

12. Ultimate parent undertaking

The immediate and ultimate parent undertaking is ED&F Man Holdings Limited, a company registered in England and Wales. The financial statements of ED&F Man Holdings Limited are available from:

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

The smallest group of undertakings of which the Company is a member that prepares group financial statements is that of E D & F Man Holdings Limited.