ED&F MAN
EST. 1783

Securing the future

ED&F Man
Annual Report 2020

Introduction

One of the world's leading providers of agricultural commodities, logistics and financial services, with annual revenues of over $6.9 billion (for the year ended 30 September 2020) and 237 years' experience of world trade.

Highlights of the year

- Our business remained open despite the impact of the coronavirus pandemic on global markets and customer consumption.
- We re-engineered our Coffee business to focus on the changing needs of clients, responding to the huge growth in the in-home and online segments.
- Significant impairments to asset values increased the loss reported for the year.
- Our Molasses Trading business enjoyed exceptional returns as we were well positioned for the increase in prices associated with supply issues and poor crops.
- Strong profit in Sugar Trading, with an exceptional performance from the whites trading book.
- Covid-19 impacts across the financial industry affected our Brokerage business but it still reported a profit.
- Progress on asset divestment programme was negatively affected by Covid-19 but we were able to sell our shipping business and some sugar production assets.

Our business at a glance

Established in 1783, ED&F Man today is one of the largest traders of agricultural products in the world. We employ 5,900 people in 55 countries and have an annual revenue of over $6.9 billion (year ended 30 September 2020).

We source, store, process, ship and distribute a range of products including sugar, coffee, molasses, animal feed, fish oil and pulses.

We market commodities to clients such as coffee roasters, food processors, drinks distillers and cattle farmers, supplying household names and best-loved brands.

In this way, we play our part in the supply chains that provide an essential role in modern life.

In addition, we offer direct access to global commodities and capital markets through our brokerage business. We provide a full range of products across all the world's major exchanges including trade processing, clearing, execution, financing, and agency-based electronic and voice brokerage services.

Our offering across a diversified and comprehensive range of asset classes includes: Futures & Options; Fixed Income Securities; Metals; Foreign Exchange; Energy; Equities; and OTC and exchange-traded Agricultural and Soft commodities.

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.

ED&F Man in numbers

237
years in business

$6.9bn
annual revenue in 2020

+200
years in world trade

+5,900 people worldwide

+75 nationalities

55 countries

+130 locations globally

+15,000
customers

+14,000
suppliers

One of the principal sugar traders in the world.
230-year history in sugar business.
Specialists in sourcing and supply.

Number one supplier of molasses in North America.
Supplier of vital ingredients in essentials like animal feed and bread.
Pioneers in sustainable and nutritious feeds produced from molasses.
Leading trader in fish oil.

Trading coffee since 1851.
Specialists in worldwide green coffee procurement.
One of the top three coffee merchants sourcing 12% of the world's export market.
Providing beans for 80 billion cups of coffee a year.

Access to over 30 of the world's markets and exchanges.

What makes us successful…

Our global infrastructure, operational expertise and execution capability ensure timely delivery of products of the highest quality to buyers all over the world.

Our strategy is to nurture long-standing relationships and, through supply management expertise, add value at every link in the chain. Through this we have established a long and successful presence in our markets and a strong loyal customer base including some of the world's biggest food and drink suppliers.

Expertise

- Global infrastructure, operating from 130 locations in 55 countries
- Extensive logistics infrastructure and know-how
- In-house agronomists and 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 and brokerage

Our role in the value chain

We provide services and generate margins along the entire value chain.

ED&F MAN

Sourcing
Long-term relationships – securing supplies from origin

Production
Add value to our products

Activities at origin
- Sustainable sourcing
- Agricultural development
- Pre-finance
- Pricing (Futures and swaps)
- Off-take
- Research
- Coffee milling and packaging

Value added
- Sorting, blending and cleaning
- Certification, traceability
- Quality control and testing

Warehouse and logistics
Extensive network of owned and third-party facilities

Logistics
- Off-take
- Trucking
- Warehousing
- Elevation

Logistics assets
- Rail car
- Warehouses
- Terminals
- Liquid storage

Distribution
Expert and innovative freight capability

Shipping
- Freight
- Pricing/trading
- Tendering

Assets
- Terminals
- Charter vessels

Destination
Efficient and innovative global bulk transportation network

Activities at destination
- Feed processing/blending
- Logistics: just-in-time delivery
- Research and market intelligence
- Credit services
- Complex pricing
- Clearing

Assets at destination
- Warehouses
- Organic sugar refinery (Czech Republic)
- Liquid storage
- Feed Plants

Chairman's statement

Our financial year ending 30 September 2020 has been one of the most unusual we have ever experienced in the long history of ED&F Man.

We all do our best as leaders and managers to plan for the future, taking all possible eventualities into account. However, no one could foresee a medical pandemic which has affected the whole world. Despite all our forward planning, we can only adapt our lives and our businesses to accommodate it and survive it. This universal so-called 'black swan' had a detrimental effect on our business: it derailed our planned industrial sugar asset divestments; it depressed market sentiment; it forced central bank stimulus which caused interest rates to enter near negative territory; it affected consumer confidence; and last, but not least, it caused our lenders to tighten their terms and conditions.

This was a year of two halves. In addition to performing to budget in our commodity trading and brokerage businesses, our objectives for the year were to exit our remaining agri-industrial assets and to enable our brokerage business to thrive through additional investment. Until March strong interest was shown in both these transactions, in line with the values which our advisers had estimated. As the pandemic engulfed the world, that interest evaporated, and despite an excellent performance from our commodity trading businesses, and a positive result from our brokerage business, these were not enough to absorb the further losses we incurred by having to retain the agri-industrial assets at lower carrying values, with their associated increased financial costs. I am deeply disappointed to report a significant pre-tax loss for the year.

Before I go into more detail about our performance, I wish to highlight changes we are making to the Board of ED&F Man Holdings Limited.

The Board

During the financial year, on 30 January Dr Wolfgang Heer, Chief Executive Officer of Südzucker AG, our largest shareholder, retired and stepped down from our Board. Dr Heer's Board membership was replaced by Dr Niels Pörksen, the incoming Chief Executive Officer of Südzucker. The second Board representative of Südzucker, their Chief Financial Officer Thomas Kölbl, stepped down on 15 September.

On 30 June, Laurie Foulds, Chief Operating Officer and formerly Chief Financial Officer, resigned from his executive and Board positions. I would like to express my thanks to Dr Heer, to Thomas Kölbl and to Laurie Foulds for their advice and contribution during their tenure on our Board.

During this current financial year, as of 31 December, Niels Vesterdal will also be stepping down. Niels has been with ED&F Man since 1978 and is well known in the sugar industry. I would like to thank Niels both personally and professionally for his commitment to our company over four decades, and we all wish him a long and happy retirement.

We have appointed two new independent Non-Executive Directors. Mark Nelson-Smith joined the Board on 15 November and Emma Griffin joined us on 10 December.

Both Mark and Emma have extensive experience in challenging and supporting management teams, their strategy and performance. As we continue our plan to divest our industrial sugar assets, enable our brokerage business to thrive with additional investment and focus on our traditional commodity trading strengths, I am confident that our Board is equipped to assist ED&F Man through the challenges we face over the medium term.

Impact of Covid-19

Sadly, we lost four valued employees to the virus. Davide Orsini and Enrico Zanetti both worked for our molasses business in Bologna, Italy, and Rodrigo Suancha Choconta worked at La Sabana coffee mill in Colombia. Lupe Rodriquez worked at Westway in the US. We pay tribute to them, remember them and pass our condolences to their families and friends.

ED&F Man has 5,900 employees in 130 locations spread across all five continents. Wherever possible office-based teams are still working remotely, aided by the Group's technology and a willingness to adapt to the new normality. For employees based in our mills, terminals, feed and blending plants and warehouses, remote working is not an option, and our health and safety guidelines have been augmented by stringent Covid-19 protocols. On behalf of the Board, I thank all our employees for their fortitude and flexibility.

As the pandemic became a worldwide problem, in March it was apparent that the opportunity we had for exiting our industrial asset base and partnering our Brokerage business had been lost, as potential interested parties withdrew from negotiations.

"Our trading businesses provide vital links in the food chain, whether for humans or animals, and we are pre-eminent in our chosen fields.

We were forced to extend the time scale we had planned for sales of these assets, and finance them for longer. To accommodate this delay, we began our refinancing negotiations earlier than in a normal year. At the same time, there were several high-profile corporate failures in our sector, and traditional banks who specialise in lending to our type of business actively took steps to exit the sector. This had an influence on our negotiations with the participants in our lending syndication and led to us applying for a UK High Court-approved Scheme of Arrangement, which allowed us to extend our debt maturities for a further three years. I am pleased to report that we now have the space to exit these industrial assets at prices which more closely match their values. However, during the negotiating phase with our lenders, we asked our businesses to use as little cash as possible, which had an impact on our trading profitability, restricting our ability to take advantage of market opportunities available in the second half of the year.

Corporate Social Responsibility

For many years now, each of ED&F Man's trading businesses has invested in and promoted our Corporate Social Responsibility goals in every country in which we work, and we are recognised for our commitment to supplier codes of conduct, and delivering the highest quality of product safety and transparency, as you can appreciate from our CSR report on page 20. Here you will be able to read more about issues critical to our products and services: workplace health and safety, protecting the environment, and engaging with communities in our origin markets to improve skills and livelihoods. As a result, we are proud to have earned a reputation as a responsible and trustworthy partner for all of our stakeholders. We also work with clients, suppliers, industry bodies and NGOs , and on representative bodies, where a combination of efforts and expertise can lead to better outcomes for us all. We remain committed to continuing this effort into the future, building on our long-established traditions and evolving our current approaches to respond to the opportunities and risks of a modern, changing world. We are pleased to play our part in supporting achievement of the United Nations' Millennium Development Goals.

Commodity Trading Businesses

Despite utilising considerably less working capital than our businesses have historically had available, I am pleased to report that each of our commodity trading businesses performed strongly. Our trading businesses provide vital links in the food chain, whether for humans or animals, and we are pre-eminent in our chosen fields. The global pandemic appears to be accelerating sustainable food trends, with consumers increasingly focused on food provenance, and sustainable practices for growers, the environment and the value chain. We are well placed to take advantage of this trend.

Coffee

Despite market volatility and the impact of Covid-19, this was a successful year for our coffee division, Volcafe.

The coffee futures markets presented both opportunity and challenge during the financial year. Volcafe worked hard to stay on top of the violent moves of the futures markets as investors went in and out trying to read the pandemic effects on coffee supply and demand.

Chairman's statement continued…

The additional challenge of Covid-19 dramatically cut demand in the lucrative 'out-of-home' coffee sector – coffee purchased in coffee shops and restaurants – where Volcafe tends to make good returns on the back of higher quality and higher value coffee purchases by 'premium' customers. Volcafe did a tremendous job quickly re-engineering the business to focus on the changing needs of clients responding to the huge growth in the in-home (supermarket) and online segments. Reduced funding allocated to this business limited the final results as it was unable to capitalise on easy trading opportunities created at several coffee origins on the back of the futures markets volatility.

Molasses and Liquid Products (MLP)
MLP as a diversified portfolio had a very successful year, despite significant challenges associated with liquidity limitations, Covid-19 and molasses market volatility. Working capital restrictions required MLP to limit some activities, and supply chain challenges associated with Covid-19 resulted in extra costs to meet both customer and supplier requirements but overall, we were fortunate that our business is considered an essential service and remained fully operational.

MLP's molasses trading business enjoyed exceptional returns as we were well positioned for the large run up in prices, mostly associated with supply fundamentals and, in particular, poor crops in Thailand, Australia, Mexico and the US beet crop. Our European distribution businesses and Westway Feed Products, our large liquid feed business in North America, suffered from the escalating price of molasses, the largest input for these businesses, and Covid-19 issues at key customers in the dairy and beef sectors resulted in some modest volume erosion. MLP's rum and yeast customers enjoyed better than normal demand resulting in increased molasses requirements. Fortunately the large windfall on the trading side associated with the molasses market was materially more than the margin erosion MLP experienced in its feed businesses.

MLP's fish oil business which services the aquafeed manufacturers, in particular salmon feed, as well as nutraceutical and pharmaceutical clients, had a very strong year. Likewise, our beet pulp pellets trading business had another above budget year and contributed strongly to MLP's results. This is a business we have grown organically following an acquisition five years ago and it continues to have momentum.

On business development, despite the pandemic, several projects were completed including a dry feed warehouse and a liquid supplement facility in Guadalajara (Mexico); an expansion of the strategic fish oil terminal in Esbjerg (Denmark); the addition of a fish meal warehouse to MLP's fish oil terminal in Guaymas (Mexico); and a joint venture with Iansa in Chile to add value to their existing dry feed business and build a liquid feed business using Westway Feed Product's technology.

Special Crops
In this area, the Group is exiting several business activities and downsizing others based on limited working capital and low margin potential. The retained trading flows and profitable North America business is being integrated into MLP's operations there.

Sugar
Following the poor results of FY17 and FY18, our sugar trading operations were restructured extensively during FY19. The financial year under review was the first full year under the new structure, whereby capital usage was significantly reduced from previous years, and, despite a challenging global environment, exacerbated by the Covid-19 pandemic, our team performed strongly. Sugar Trading successfully captured the market-associated volatility to generate high returns with all trade sectors generating positive gross margins. In particular, our white sugar trading book, including Asia, Eurasia and Africa performed exceptionally well. This combined with a proactive approach to cash and credit management, resulted in Sugar Trading finishing the year well above expectations.

Brokerage
The pandemic had an adverse effect on the results of ED&F Man Capital Markets, which although profitable, was significantly below budget. After a very profitable first half, in the second half year the slowdown in economies, interest rates at near zero, and reduced client activity across all market segments made for difficult trading conditions; while brokerage-related litigation and two serious client defaults weighed heavily on profitability. The closures of the Chicago Mercantile Exchange (recently reopening) and the London Metal Exchange also played their part. In addition, we reduced credit availability in line with the heightened risk apparent in the markets. It remains our goal to strengthen our Brokerage business through new investment partnerships, so that it can continue to grow and maintain its important position in financial markets.

I would like to thank our global team of talented employees and acknowledge the hard work, commitment and contributions they have made in this most difficult of years.

The divestment programme

As previously mentioned, our plans to sell our sugar industrial assets were derailed by the pandemic. Notwithstanding this, I am pleased to report that we closed the following transactions during the financial year:

- Sale of Sugat in Israel (October 2019)
- Sale of our Shipping business (January 2020)
- Sale of our minority interest in Kilombero sugar and alcohol mill in Tanzania (September 2020)
- Sale of our minority interest in Puga sugar mill in Mexico (September 2020)

In addition, our joint venture Azucar Grupo Saenz sold one of its three mills in September 2020.

The inability to sell the remaining industrial assets during the financial year has led to their values being written down significantly at year end.

To assist us in our goals to sell our remaining sugar industrial assets and strengthen our brokerage franchise, in September we were pleased to welcome Jade Moore, as Chief Restructuring Officer. Jade has wide experience and success in delivering on strategic and corporate finance initiatives and she reports directly to me in this important role.

Azucar Grupo Saenz (AGS) (Mexico)

The strong local market resulted in increases in Mexico's regulated sugar price, which squeezed margins at our mills. Both Mante and Xico mills remained loss making. Although Mante was sold to Pantaleon, lack of interest in Xico led to the start of the process to close it all together. The higher than expected losses in 2020, this closure of Xico and the expectation of manufacturing surpluses being pushed on to the world market have led to a further significant deterioration in the carrying value of our overall interest in Azucar Grupo Saenz, which now has only one remaining operation, the profitable sugar mill in Tamazula.

Ukraine

The Ukrainian sugar factory which was mothballed in 2018 has now been closed altogether, and the assets are being disposed of piecemeal. This closure led to the historic foreign exchange translation losses which had been taken in all previous years to Reserves, all now being recognised in the Consolidated Statement of Profit or Loss at year end, in line with IFRS treatment. During the year we continued to produce non-sugar crops on our land, but at a marginal contribution and the sale process for the farms is ongoing.

Iansa (Chile)

The volatile socio-political economic situation in Chile at the beginning of the financial year, coupled with conditions in the world sugar market and the implications of the coronavirus pandemic, increased the challenges faced by Iansa. In addition, the company suffered a country-wide recall of one of its leading brand pet food products before the issues were identified and are being addressed. Although Iansa reported a small loss for the year, this was an improvement over the previous year as a result of Iansa's comprehensive profitability recovery plan, and the benefit of its first year with one less factory in sugar processing operations. At the end of September, Iansa announced the closure of a second sugar processing factory to concentrate all of its sugar producing and refining activities in only one industrial unit, which should deliver greater efficiency to its sugar production value chain.

So, all in all, the financial year ended 30 September 2020 has had some difficult challenges, and some significant high spots in the performance of our core businesses. Despite the very real disappointment in the overall results, we can congratulate our trading teams on their excellent performance. We can congratulate our finance teams on their success in extending our lending profile. We can continue our best efforts to divest of the industrial assets which have had such a detrimental effect on our profitability, our equity base and our shareholder value over the last few years. We can look forward to a return to a new kind of normality as the research into vaccines against Covid-19 continues to forecast positive results. Although as a multinational business we adhere to all the mandatory corporate prerequisites – policies, procedures, regulatory elements – we still remain at heart the ED&F Man family which retains our historical culture, and which looks after our employees and values them as the keystone of our business. With these pillars in place, we can look forward with confidence to a return to sustained profitability and growth.

I would like to thank our global team of talented employees and acknowledge the hard work, commitment and contributions they have made in this most difficult of years, as well as my Board colleagues for their support.

Rafael Muguiro
Group Executive Chairman
19 December 2020

Strategic report

for the year ended 30 September 2020

Principal activities, business review and future developments

Founded in 1783, ED&F Man is a private agri-business operating in the sugar, coffee, molasses and animal feed markets. In addition, we help our counterparties manage price risk through hedging and provide access to commodity and capital markets through our financial brokerage business.

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 26 and 28 to the financial statements. Note 28 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 of its businesses on an on-going basis. The key performance indicators are Revenue, Gross Profit, Operating Profit and Return on Equity (ROE).

Group's business activities, future developments and performance measures

Last year, we advised that we will be operating the Group in three distinct pillars from the beginning of the financial year ended 30 September 2020.

- Commodity Trading
- Brokerage
- Holdings

In our agricultural commodities trading businesses, we leverage long-standing relationships and strategically placed assets such as mills and warehouses to provide clients with a more complete service offer.

Commodity Trading

In our agricultural commodities trading businesses, we leverage long-standing relationships and strategically placed assets such as mills and warehouses to provide clients with a more complete service offer in order to be able to add increased value across the whole supply chain.

The commodity trading business encompasses our coffee, molasses and liquid products (MLP) and sugar trading business units. This is a portfolio of business units that have the ability to deliver solid returns to the Group. This pillar has its own governance structure and capital allocated to it.

In the year just completed, despite the challenges imposed by the pandemic, overall, the commodity businesses delivered $124 million of operating profit. Our core commodity businesses have traded successfully during the period that was impacted by Covid-19, given the reduced liquidity available to the divisions during this period and supported by the increased volatility in the commodity markets.

Coffee

Volcafe had a strong year under very challenging circumstances and delivered an operating profit of $49 million.

Operating performance was consistent across many of the division's operating units, with particularly strong results from general merchanting arm and its Costa Rica, Brazil, Vietnam and Peru origination business units. Our origination businesses in East Africa and Guatemala were negatively impacted by either crop sizes or local market conditions and delivered closer to breakeven results.

Whilst most destination markets were profitable, results from the US were well above expectation.

Molasses and Liquid Products

MLP had a successful year, delivering an operating profit of $42 million despite challenges associated with liquidity limitations and Covid-19.

The molasses trading business enjoyed good returns in its trading operations attributed to positioning itself well for the large run up in prices. The distribution businesses in both Europe and North America, also performed well considering the lower volumes in the dairy and beef sectors, an indirect impact of Covid-19 and higher molasses and other liquid ingredient pricing.

The fish oil business had an above expectation year, taking good advantage of one-off opportunities in certain origins. The successful trading strategy was supported by our recently expanded terminal in Denmark.

During the year, MLP completed a dry feed warehouse facility and a liquid supplement facility in Guadalajara, Mexico, an expansion of our Esbjerg, Denmark terminal, a fish meal warehouse in Guaymas, Mexico and a joint venture with Iansa in Chile.

Sugar
Our sugar trading business, a world leader in many product categories, sources and trades raw and white sugar from over 40 countries, creating and supporting consuming markets. It specialises in sugar logistics and excellent customer relations.

Sugar Trading has successfully captured and taken advantage of the increased volatility experienced during the period to generate strong results, delivering an operating profit of $40 million, additionally benefiting from the extensive restructuring undertaken in recent years.

Physical trading, particularly in Asia, Africa and Europe were the strongest performers for the business in the reporting period.

Special Crops
The Special Crops business was wound down during the year, and much of this work will complete in 2021. The closure work resulted in one-off impairments to the carrying value of the assets of this business and goodwill of $6.8 million. The remaining viable operations from the Special Crops franchise will be absorbed into our Molasses and Liquid Products business.

Looking ahead
Looking ahead, the commodity trading business will focus on our coffee, molasses and liquid products and sugar trading businesses in the year to come. This is the back-to-our-roots, asset-light trading structure that has been at the heart of the strategic direction the Group took in late 2017. This, along with the increased volatility in the market and our own programmes committed to sustainability, provide the platform from which these businesses can continue to deliver solid returns to the Group.

Brokerage
Our wholly-owned Brokerage business offers diversification and a recurring earnings stream for the Group. It is separately managed and operated through several regulated subsidiaries and provides a broad spectrum of exchange traded OTC and investment banking products including fixed income, foreign exchange, equities, commodities and listed derivatives.

The brokerage business also operates in a standalone environment, with its own holding company. This regulated business has its own governance structure, capital and dedicated financing.

Brokerage had a positive year, although that is not immediately obvious from the results. As with many business models, this division was not immune to the impact of the global pandemic. There were three different events that directly impacted the performance measures of the division; counter party credit losses, ongoing legal costs and the close to zero interest rate and flattened yield curve environment that now exists. Client defaults amounting to $21 million and ongoing legal and advisory costs mainly relating to the discontinued equities business, amounted to $17 million.

Looking ahead
Despite the overall returns in the year just completed, the actions we have taken along with the incubated and new businesses we have in our future, mean the brokerage division is looking forward to a successful year ahead. As noted in the Chairman's statement, we continue to seek new investment partnerships to strengthen this business.

Holdings
The Holdings pillar holds the assets and businesses that do not fit into either the commodity or brokerage pillars, including the Group's underperforming agricultural industrial investments. Two years ago, the Group outlined its strategy to deleverage its balance sheet by selling many of these assets and investments and returning ED&F Man to its commodity trading roots, whilst seeking to maximise returns and minimise losses in very challenging markets. This pillar also includes the Group's corporate infrastructure and most of the Group's debt.

The Holdings pillar includes assets that were actively marketed for sale during the year, including:

All figures in $m	Profit/ (loss) on sale
Sugat in Israel (transaction completed in October 2019)	17
Shipping operations (transaction completed in January 2020)	6
Sale of minority interest in Kilombero, Tanzania (September 2020)	8
Sale of minority interest in Puga, Mexico (September 2020)	1
	32

Joint venture in Azucar Grupo Saenz (AGS) (Mexico)
In September 2020, AGS (our 49% joint venture) sold its Mante mill, leaving the AGS Group with Tamazula and Xico mills. AGS closed the Xico mill at the end of September, accelerating closure costs prior to the new crop season. AGS retains the only mill that is cash positive, Tamazula.

After taking account of the Xico closure, the Mante sale values and recoverability estimates of the remaining debt, the Group has recorded a credit loss provision of $76 million (2019: $169 million) against the carrying value of the Group's receivables related to AGS reducing it to $221 million.

Ukraine factory and farm (Ukraine)
The Ukrainian sugar factory was closed during the year, and the factory assets are being disposed of piecemeal. During the year our farm operations continued to produce non-sugar crops, and the sale process on the farms remains ongoing. The closure resulted in one off impairments to asset carrying values of $7 million being booked during the year.

In addition to the impairment made on the production and farming investments in Ukraine, the Group also recycled foreign exchange translation reserves of $69 million that had been written off in previous years to reserves. The impact of the recycling is to debit the consolidated statement of profit or loss, increasing the size of the loss booked and contemporaneously credit reserves (see consolidated statement of changes in equity). The overall impact of the recycling is neutral on the Group's total equity which does not change as a result of this treatment.

Strategic report continued…

for the year ended 30 September 2020

Iansa (Chile)
The social unrest in Chile during the first quarter of the year and the impact of Covid-19 on its retail business resulted in an operating loss of $8 million for the 12 months to September. Iansa is a publicly listed company in Chile, with its stock traded on the local stock exchange. The Group holds about 89% of that listed equity. Its financial year is January to December. The company continues to drive its turnaround plan with the announcement of the closure of the Los Angeles sugar mill in September 2020. This leaves one mill, Chillan, which also operates as a refinery for raw sugar imports that leaves the company with an efficient sugar model for future production. The mill closure however has resulted in asset impairments of $22 million in the year just ended in the books of ED&F Man.

Looking ahead
In the year just ended, potential disposal transactions in the underperforming Agricultural industrial assets were severely derailed by the Covid-19 pandemic. Work will continue in the coming year to identify the right time to return to the M&A market to exit or sell the remainder of these assets, whilst seeking to maximise returns and minimise losses in very challenging markets in the meantime.

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.

Balance sheet

The Group's adoption of IFRS 16 Leases at 1 October 2019 resulted in the recognition of $150 million of non-current right-of-use assets and $159 million of lease liabilities.

After the deduction of the $150 million of the rights-of-use assets, non-current assets were $49 million lower than last year on a like-for-like basis. This was driven by a decrease in the investment in joint ventures and intangible assets with depreciation, amortisation and impairments higher than capital expenditure and acquisitions made in the year.

Net current assets increased by $929 million during the year, from $458 million to $1,387 million driven by the Group's refinancing extending much of its short-term debt into three-year facilities. This is described more fully in financing and liquidity below. Working capital levels were also lower year on year, with lower inventories and trade receivable levels as a result of a reduced use of liquidity to shepherd the Group's resources carefully during the pandemic.

"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.

Net cash at the year end was $1,517 million compared with net cash at the end of last year of $762 million. This included an increase in cash at bank of $166 million and an increase in segregated cash of $582 million.

Since the addition of our Brokerage business in 2012, the nature of its activities has had a significant impact on the shape of our Group Consolidated Statement of Financial Position. The Group's total assets ended the year at $23.6 billion (2019: $25.6 billion), of which $20.6 billion (2019: $22.7 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 $14.8 billion or 63% of gross current assets (2019: $16.2 billion or 65%), they are essentially fully-collateralised, self-liquidating arrangements where we act as a conduit for our clients to access the FICC.

Financing and liquidity
The Group has reduced its funding levels whilst maintaining adequate access to financing to support ongoing activities and capitalise on opportunities identified. Note 28 describes the Group's liquidity position and borrowing facilities in full. The table below sets out a summary:

	30 September 2020 $m	30 September 2019 $m
Undrawn facilities	**125.0**	448.0
Cash and cash equivalents	**541.0**	368.0
	666.0	816.0

At the year end, the Group had total committed borrowing facilities amounting to $1,656 million, comprising $1,309 million of term loans and Revolving Credit Facilities (RCF) maturing in September 2023, $184 million of US private placement notes, maturing in September 2023 and a $163 million RCF facility maturing in September 2021. The Group also had access to a number of uncommitted credit lines in many of the jurisdictions in which it operates under which $604 million was drawn at the year end. Cash and cash equivalents totalled $1,517 million at the year end of which available central cash on hand amounted to $541 million.

During the year, the Group restructured and refinanced most of its central financing pool, extending maturities from less than 360 days for longer periods as described in the previous paragraph and in Note 28: Financial instruments and financial risk management. The Group worked closely with a small group of its lead banks, supported by restructuring specialists to structure a robust longer-term finance package.

In September 2020, ED&F Man announced that its proposed Scheme of Arrangement was sanctioned by the High Court, enabling the Group to complete its refinancing before the end of the month. This creates a stable financial environment for the Group and allows the Group to pursue its strategy of focusing on its core trading roots and divesting of non-core assets in an orderly manner to ensure value is maximised.

The Scheme received the support of 100% by value of creditors who had attended the Scheme meetings and voted on the proposals. Under the terms of the refinancing, the Group was given access to an additional c$300 million of working capital facilities.

The refinancing process was an expensive process for the Group and resulted in additional financing costs of $29 million being incurred in the year just completed.

Cash Flow

Net cash inflow from operating activities increased from $172 million to $880 million. The removal of $32 million of lease payments from this measure, following the adoption of IFRS 16, and the reduction in working capital described above more than offset the low operating profit. Capital expenditure slightly reduced from $46 million to $45 million. The Group realised $58.6 million from the sale of investments, property, plant and equipment. Tax paid in the year amounted to $27 million (2019: $45 million).

Taxes

Despite reporting a loss before tax during the year, the Group has also incurred a charge for corporate income taxes of $32 million in 2020 compared with $41 million in 2019. The Group trades in many jurisdictions across the globe, and profits made in domestic markets are rightly subject to local tax and cannot be offset against losses booked in other markets.

Effective tax rate on countries where we make profit is 20%.

Analysis of profits and tax charge

Year ended 30 September 2020	PBT $m	Tax $m	Effective rate
Profit making countries	155.0	(31.0)	20.0%
Loss making countries	(342.0)	(1.0)	(0.3%)
As reported	(187.0)	(32.0)	(17.0%)

Performance measurements

The Group's key performance measures are revenue, gross profit, operating profit and return on equity.

	30 September 2020 Commodity Trading $m	30 September 2020 Brokerage $m	30 September 2020 Holdings $m	**30 September 2020 Total $m**	30 September 2019 Total $m
Revenue	5,590	827	489	**6,906**	7,731
Gross profit	336	167	26	**529**	496
Operating profit	124	6	(25)	**105**	87
Return on equity (from loss after tax)	–	–	–	**(45%)**	(32%)

Strategic report continued…

for the year ended 30 September 2020

Section 172 statement

This statement describes how the Directors have taken account of the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, when performing their duty to promote the success of the company.

ED&F Man engages regularly with stakeholders at Group and/or business level, depending on the issue. The role of the Group, and therefore of the Board, is to provide a framework in which the Group's component businesses have the freedom and decision-making authority to pursue opportunities with entrepreneurial flair. The Board Directors and senior management team consider this to be an important factor in the success of the Group. Authority for the operational management of the Group's businesses is delegated to the chief executive of each business unit for execution or for further delegation by him/her to the senior management teams of the businesses. This is to ensure the effective day-to-day running and management of the Group. The chief executive of each business within the Group has authority for that business and reports directly to the Executive Chairman.

This approach necessarily involves a high degree of delegation of communication with stakeholders to the management of the Group businesses. Where the Board Directors of ED&F Man have not themselves directly engaged with stakeholders, those stakeholder issues are considered at Board level both through reports to the Board by the Executive Chairman or Chief Financial Officer and also by the senior management of the Group's businesses. Senior management are requested, when presenting to the Board on strategy and principal decisions, to ensure that the presentations cover what impact the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been taken into account. While day-to-day operational decisions are generally made locally, in addition to providing input on the principal decisions and strategy, the Board supports individual businesses by facilitating the sharing of best practice and know-how between the businesses. The Board has identified the following stakeholder groups with whom engagement is fundamental to the group's ongoing success:

Stakeholder group	Employees	Suppliers and customers	Society and Communities	Shareholders	Governments and authorities	Banks, investors and insurers
Key issues	Health and safety Diversity and inclusion Engagement and development Pay and reward Sustainability	Business execution capability Responsible sourcing, product safety and traceability Supply chain sustainability Impact on environment	Climate change mitigation and adaptation Natural resources and circular economy	Return on investment Business performance Sustainability	Regulatory changes including: Covid-19 Brexit Tax Climate and environmental related matters Product safety Support of businesses and workers	Return on investment Business performance Sustainability Corporate governance
How the businesses engage	Email Intranet Quarterly results updates Town halls Monthly leadership updates Training Surveys	Meetings Video or phone calls Site visits	Coaching and training programmes Community programmes and schemes Greater detail is contained in the CSR report page 20	Website Annual General meeting Quarterly results updates	Meetings Correspondence	Meetings Monthly performance reports Annual report CSR Report
How the Board engages and/or is kept informed and takes matters into account	The Group Executive Chairman and Group Chief Financial Officer (CFO) along with the leadership team provide monthly video updates. The Group Executive Chairman and CFO present at key sites across in our annual Town Hall meetings. The 2020 Town Hall will be virtual. In addition, other Board members meet with senior employees at conferences, business reviews and visits to overseas offices.	Senior management of each business unit (often with the assistance of specialists within that division) regularly report to the Board on key relationships with customers and suppliers either as part of their business updates to the Board or through reports to the Group Executive Chairman.	The CSR Steering Committee supports the Board by overseeing the Group's CSR programme and policy. The committee is chaired by a non-executive member of the Board and has representatives from across several Group functions and businesses.	The annual general meeting provides an opportunity for shareholders to submit questions to be addressed by the Board. The Board also responds either directly or via its company secretarial team to queries raised throughout the course of the year.	The Board is updated regularly on key issues that have arisen relating to material changes in government legislation and regulation across the many countries in which the Group operates.	The Group Executive Chairman and CFO meet with Lenders throughout the year. At each Board meeting, the Directors receive a banking update, including any significant concerns raised. These are then considered at the Board meeting.

Principal decisions

The extraordinary events of the second half of the financial year have meant that the principal decisions of the Company (and the Group as a whole) have often related to mitigating the adverse effects of Covid-19. This event heavily impacted the strategic decisions made and shaped the engagement with stakeholders both at Board level and by the businesses. In particular, there was a need to ensure that the consequences of decisions were the right thing for promoting the success of the Company in the long term, as well as having regard to maintaining a reputation for high standards of business conduct. The Board received regular updates on the impact of Covid-19 on the Group from early March 2020. Some examples of principal decisions that were taken during the year and how stakeholder views were taken into account and impacted on those decisions are provided in the following examples.

Our people

Impact: Employees

The impact of the virus was particularly felt by our employees. As mentioned in the Chairman's statement, we lost four valued colleagues to Covid-19.

Across the globe, all divisions in the Group reinvented themselves dramatically by transitioning to work from home at the height of the pandemic whilst also re-engineering the business to focus on the changing needs of its client base.

The Board and management set up a Group Covid 19 steering group involving HR, health and safety, risk management and technology that met by video once a fortnight. Regional Covid-19 steering groups were also set up by the businesses to ensure all operations that needed to stay open to maintain the agricultural supply chain were 'Covid-19 proofed' as quickly and safely as possible. Updates were constantly passed to management and the Board.

Recognising the reduced social interaction within the Group, the Board and management commenced monthly video updates to all staff available on the intranet, the first delivered by the Chairman.

Our strategy

Impact: Employees, Banks, Investors and Insurers, Customers, Suppliers and Shareholders

The Group's strategy to deleverage its balance sheet received a setback in early March at the start of the Covid-19 pandemic when two significant M&A transactions at very advanced stages were put on hold by the potential buyers.

The Board and management reviewed the impact of these decisions, the possible tenor of the pandemic and took immediate steps to focus on group liquidity.

Discussions started immediately with the Group's lenders to refinance the Group's debt for a new three-year period. This refinancing was completed in September.

Businesses also took the initiative to conserve liquidity at the expense of profitability. This included reducing credit terms, reducing exposure to price by shortening tenor on supply contracts and increasing focus on longer-term strategic partnerships.

Our environment

Impact: Employees, Communities, Suppliers and Customers

Led by one of the Group's Non-Executive Directors, the CSR Committee meets four times a year to coordinate and provide direction on sustainability and green initiatives.

The cross section of members in the committee from all parts of the business ensures that issues on the ground find their way to the Board and can be reviewed in a coordinated manner.

Statement of compliance with the Corporate Governance disclosure requirements

The Board of Directors are committed to high standards of corporate governance and are accountable to shareholders for the Group's performance in this area. The Group does not apply a formal corporate governance code but is driven by its constitution as an employee-owned company. Applying a formal corporate governance code presents challenges given the Group's scale, size and complexity, indeed many provisions of a corporate governance code may be judged to be disproportionate or less relevant to a private, employee-owned company.

One of the main purposes of the Board is to support the Executive Team and provide them with constructive challenge and make its advice, experience and specialist knowledge available. It is responsible for ensuring that risk management operates effectively and has oversight for this critical process as set out in the section on Financial risk management. In addition, the Board is assisted in carrying out its oversight and assurance responsibilities by its Risk, Audit and Remuneration and Nomination Committees.

Within the Commodity trading and Brokerage pillars, the Agricultural Committee (AgCom) and Financial Committee (FinCom) were 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 respective businesses.

In addition, the committees had operational responsibility for their respective businesses including performance monitoring, capex approvals and monitoring, subsidiary and JV capital planning, human resources staffing, compensation and talent.

As a regulated business, the brokerage operations have their own independent Board structures in the UK and US.

Members of the AgCom and FinCom include the Group Executive Chairman and Group Chief Financial Officer, both Board members along with key business leaders from the commodity trading business units and brokerage business respectively.

Strategic report continued…

for the year ended 30 September 2020

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.

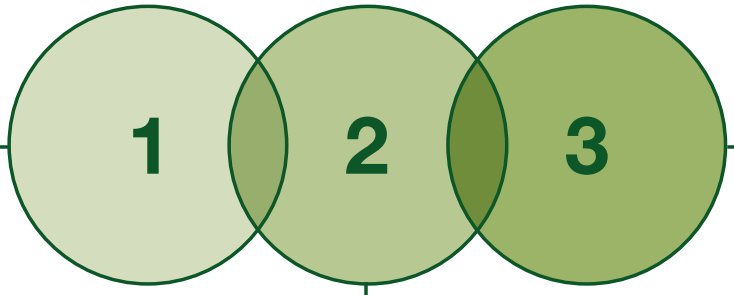
The Group mitigates these risks through hedging on futures markets where appropriate, by employing dedicated in-house legal and insurance professionals and through the operation of the Group Risk Committee (GRC).

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 28 to the consolidated financial statements.

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 many 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 in both its three pillars, Commodity Trading, Brokerage and Holdings have 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 Commodities and Financial Committees and the Board on the effectiveness of the Group's minimum control standards for reporting, risk management and control.

This Strategic Report was approved by the Board of Directors on 19 December 2020 and signed on its behalf by:

Lukas Paravicini
Chief Financial Officer

Volcafe

About us

- ED&F Man's coffee division.
- Trading coffee since 1851.
- Specialists in worldwide green coffee procurement.
- One of the top three coffee merchants sourcing 12% of the world's export market.
- Providing beans for 80 billion cups of coffee a year.

Highlights

How we did in 2020

- Covid-19 and extreme market volatility made this a challenging but successful year.
- Performance 'stand outs' were Switzerland, Costa Rica and Brazil. Vietnam, Volcafe Specialty, Genuine Origin had remarkable turnarounds.
- Consumer behaviour shift from 'out-of-home' to 'in-home' consumption.
- Roaster relationships: moving from transactional to strategic.
- Given our strong partnership approach, in 2020, we adopted a new purpose statement – 'Making Coffee Business Better, Together', as part of our new refreshed branding strategy.

Customers

Key supplier to global roasters including Starbucks, Nespresso, Nestle and JDE, as well as to the high-street coffee shop and online.

How coronavirus affected Volcafe

- Loss of our valued colleague Rodrigo Suancha Chocanta.
- 2,000+ colleagues adapting to remote and new ways of working.
- Our 'holiday donation' campaign donated 572 days' leave equalling over $270,000 for charities and hospitals in seven locations where we work.

Looking ahead

- Demand for coffee remains resilient – an 'essential' daily beverage.
- Key roasters are proposing ambitious sustainability targets. Volcafe has a strong reputation as a 'go-to' partner in this area.
- With dry conditions in Brazil, we expect a dynamic and volatile market, providing trading opportunities.

Molasses products and special crops

About MLP

- Largest global molasses trader by volume with strong distribution in all key markets.
- 45% market share of internationally traded molasses.
- Pioneers in developing sustainable and nutritional feeds products from natural by products.
- The world's largest fish oil trader.
- Biggest supplier of molasses to the Caribbean rum industry.
- Westway Feed is the biggest liquid animal feed manufacturer in the Americas.

What we do

- Sourcing
- Shipping
- Storage
- Distribution
- Manufacturing
- Inventory management
- Technical support

Molasses is used in

- Animal feeds
- Industrial fermentation
- Agglomeration
- Briquetting
- Pollution control
- Biogas
- Baking
- Rum production

Customers

Bacardi, Diageo, San Miquel, Cargill, Purina, Mauri, Lesaffre and Lallemand.

How coronavirus affected MLP

- Loss of our colleagues Davide Orsini and Enrico Zanetti who worked in Bologna, Italy, and Lupe Rodriguez from Westway Feeds in the US.
- Colleagues and operations working remotely, seamlessly, and in terminals and plants, safely.
- Supplied additional molasses to produce ethanol for hand sanitiser.

How we did in 2020

- Our business are 'essential' and remained operational.
- Successful year despite liquidity limitations and molasses market volatility.
- Reduced fuel ethanol demand caused by much less transport fuel being consumed.
- Continued growth in our beet pulp trading business.

Developments 2020

- Dry feed warehouse facility in Guadalajara for MLP's pet food ingredient business.
- Liquid supplement facility expanding Westway Feed business model into Mexico.
- Expansion of Esbjerg, Denmark fish oil terminal.
- Addition of a fish meal warehouse in Guaymas, Mexico.
- Joint venture with Iansa in Chile to add value to existing dry feed business and build a liquid feed business using Westway Feed technology.

Social and community impacts

- Our MAS Program invests in impact projects to improve the quality of life in selected sugarcane communities. In FY19/20, we invested over $220,000 to provide potable water, sanitation facilities and medical transport to four communities where we do business.
- The MAS Program was the runner-up in the 2020 Bonsucro Inspire Awards and is nominated for 2020 SEDEX Responsible Business Award.

Special Crops

We took the tough decision to wind down our African operations. The profitable North America business is being absorbed into the wider Molasses Products operations.

Looking ahead

Founded in the Netherlands in 1920 and in US in 1940 – we'll celebrate in 2021!

Re engage face-to-face with clients and colleagues.

Play our part in a more sustainable future.

Deliver for our stakeholders.

Sugar Trading

About us

- A world-class sugar merchant and one of the largest white sugar trade houses.
- Handling over six million metric tonnes of sugar a year.
- Significant leadership positions in Africa and Asia.
- Serves clients with traceable raw and white sugar, with an extensive supply chain.
- World-leading research team.

What we do

- Merchandising
- Handling
- Warehousing
- Transportation and management
- Commercialisation
- Financing and structuring
- Risk management
- Trade optimisation

Customers

Buying from a variety of suppliers including Pantaleon, EID Parry's, Südzucker and Mitr Phol, serving a wide range of global food and beverage brands including Nestle, Heineken and PepsiCo.

Looking ahead

Sugar Trading continues to face the challenge of trading in a market in a global surplus and historical low prices. We are well positioned however, to capture opportunities as they arise.

Highlights of 2020

- Sugar Trading finished well above expectations in first full year, post restructuring.
- Exceptional performance from the whites trading desk including the Asia, Eurasia and Africa trade flows.
- Successfully took advantage of the market volatility to generate strong results.
- Organic-sugar MAN Ingredients remains a market leader.

Brokerage

About Brokerage

- Global financial brokerage business.
- Ethos built on integrity, client care and careful risk management along with a strong compliance focus.
- Access to global capital markets via world class IT infrastructure.
- Full suite of capital market products including trade processing, financing, clearing, execution, market making, and agency based electronic and voice brokerage services.
- Offices in Brazil, Chicago, Dubai, Hamburg, Hong Kong, London, Miami, New York and Winterthur.

How we did in 2020

Major headwinds in the second half of the financial year affected us and the market. The zero-interest rate, closures of the Chicago Mercantile Exchange and London Metal Exchange, and subdued confidence all hampered business activity.

Effects of coronavirus

- Market disruption presented great challenges for the business but also for the financial industry as a whole.
- Subdued market conditions, driven by the poor global economic outlook and low interest rates, resulted in reduced client activity across all market segments.

Highlights of 2020

- Our US businesses performed well in a zero-interest rate environment.
- Strong performance of our corporate bonds business based in New York.
- Processed record trade volumes in March 2020.
- Held in excess of $3 billion of client funds globally.
- Provided access to over 30 of the world's major markets and exchanges.

Looking ahead

- Our goal is to strengthen Brokerage through new investment partnerships.
- Incubated businesses including Equity Clearing business in New York showing promising signs of growth.
- Expansion in Asia-Pacific region with new Australia office.

Corporate social responsibility

Our commitment to corporate social responsibility (CSR) at ED&F Man has been an important part of our long history and proud heritage and continues to underpin the way we do business around the world today.

Our continuing efforts in CSR are focused in our businesses in a programme of activity addressing four priority areas: the environment; the marketplace comprising our own activities, along with our suppliers, customers, and a value chain that stretches across 55 countries; the workplace; and to society, with specific attention paid to the communities in which we operate or have an influence through our commercial activities.

In these four priority areas we have made substantial investments and developed a set of initiatives and practices that improve our products, differentiate our services, and support the development of deep and lasting customer relationships. Working together with our colleagues, industry groups, suppliers and customers, we have made substantial progress over this past year in all four areas, a record of success upon which we plan to continue to build.

We also are fully aware of the substantial commercial advantages as a result of our responsible approach to business. We look for every opportunity to reduce costs, improve quality, extend our product and service ranges, and enhance sales and margins as a result of our activities and capabilities in CSR-related areas.

Adhering to responsible practices

Specific standards, policies and procedures guide our immediate activities, not only in origin and destination countries, but also across all aspects of our supply chains. These address important cross-business issues such as prohibiting child labour, eliminating unsafe workplace practices, and combating modern slavery. Longer-term issues include focusing on the environment and climate change, where we aim to reduce our electricity and energy use, carbon emissions and water consumption, on the road to a carbon-neutral ED&F Man by 2050.

Working together for sustainability

Our commitment to achieving our CSR objectives is increasingly shared with our suppliers and customers. Responding to concerns over the environment and ethical sourcing in particular, ever more discerning end-consumers expect to receive products that are responsibly sourced, processed and sold through processes that embed ever-more visible sustainable business practices. Encouraged by end-consumer preferences, manufacturers and suppliers are setting new standards for themselves and their own partners in the value chain.

Businesses and consumers alike want to have assurances that what they buy can be traced back through the supply chain to ethical practices in origin markets.

Recording progress, measuring results

At ED&F Man, we have always taken a practical and measurable approach to sustainable practices. We believe that 'what gets measured gets done' as a core part of our business culture, which applies equally to all elements in our business model and all principles we embrace in our Group-wide CSR programmes, and the sustainability activities within our businesses and on local level. In addition to the social, environmental and food safety benefits of our commitment to CSR, we set and measure performance against specific metrics in our selected areas of focus.

We pursue positive opportunities to develop our own business workplace, improve industry standards, and positively contribute to the communities where we are commercially active. While sharing a core set of principles and standards, we set and pursue the most important initiatives within each specific business area: commodity trading, manufacturing and processing, shipping, supply chain logistics and participation in capital markets.

Four key areas

For many years, we have paid special attention to four key priorities of the UN we believe to be most relevant to our businesses: environment, marketplace, workplace and society. In each, we carry out activities that add value to our business and the communities in which we operate, deliver on our commitments to clients and customers, and ensure a responsible end-to-end supply chain. Below we have described what we do, and the results we have achieved, in each.

Environment

Progress

We are fully aware of the responsibilities we all share – as businesses and as individuals – for global environmental stewardship. We monitor our businesses carefully to ensure that we comply with all relevant environmental laws and regulations, and also that we respect all policies and achieve all internal standards that may exceed what is required by external obligations.

At the same time we aim to improve our environmental performance, to reduce the use of energy and water, and our carbon footprint. We are committed to do our part in combating climate change and reducing our net impact on the environment and the communities in which we operate.

Due to the Covid-19 pandemic a lot of our attention has been directed on keeping our employees safe and continuing our business. Despite this, we are proud to report that we have been able to again improve our environmental impact.

We will continue to reduce energy demands and to find ways in which we can improve the quality of the environment in the communities in which we operate, by aligning ourselves to become carbon-neutral by 2050.

Highlights

- Zero product spills in public waters.
- Total energy use for the Group reduced by 3% (20,875 MWh saved).
- Total carbon emissions for the Group reduced by 3% (6,900 tonnes CO_2 avoided).
- Total water use for Group reduced by 24% (2,500,000 m³ saved).
- Renewable energy use increased by 39% (now 8% of total).

Marketplace

Progress

As a trader of feed and food products operating in more than 50 countries, our first and foremost responsibility lies in ensuring that we deliver safe products of agreed quality to our customers. These products must also be ethically and responsibly sourced, produced, sold and distributed.

To meet these demands consistently and reliably we work with reputable suppliers, focus on sustainability in our commodity supply chains, pursue standards of responsible sourcing, work with partners to grow organic and sustainably sourced products, and improve conditions in origin communities. All these activities are carried out in line with our Standards of Business Conduct. We also seek to partner with our suppliers, supply chain participants and customers to deliver on our commitments, actively taking part in creating or expanding sustainable supply chains wherever we do business.

Covid-19 presented many challenges in our operations and activities. But, dependent on region, our product processing continued with specific control measures in place, our offices operated with skeleton teams, while the majority of our co-workers work remotely from the office where necessary and possible. In doing so we have been able to successfully deliver on our contractual obligations to our customers.

Highlights

- Upgraded the Integrated Quality System in sugar trading operations, and aligned this with preventative food safety requirements of EU and US (US Food Safety Modernization Act).
- Maintained and renewed all company certifications and customer approvals related to food safety, sustainability and quality.
- Maintained US FDA approvals of coffee operations to allow the continued export to the US.
- Obtained organic certification for our pulses trading activities from Amsterdam.
- Certified our sugar refinery in Zvoleneves, Czech Republic, under Bonsucro, allowing it to produce rum and ethanol certified under Fairtrade, organic and Bonsucro standards.
- Our Coffee Managing Director is actively involved in sustainability developments in his role on the Global Coffee Platform.
- Our Sustainability Director for Liquid Products is now chair of the Bonsucro Member Council, and a defacto Board Member.
- Our Liquid Products division is the leading global supplier of sustainable molasses from Bonsucro producers to the rum sector.

Corporate social responsibility continued…

Workplace

Progress
We respect human rights and progressive labour practices and are committed to ensuring that our offices and industrial sites meet all legal requirements and are also safe and positive places to work.

It will come as no surprise that a key priority for our continued business success is to provide a high-quality place to work, and an attractive place to pursue a career, for our dedicated and talented team of 5,500 employees engaged in our businesses in all parts of the world. In this area we invest in programmes of activity to develop, train and support our co-workers, as well as improve the safety of all of our facilities and practices in our places of work.

Covid-19 presented a set of unique challenges this year which will continue to need our attention in the new fiscal year. Ensuring the health and safety for all our workers always was our first priority, but this pandemic forced us to manage this differently. In a joint effort by the health and safety team, human resources, local country and site managers, with senior leadership support, we have been able to achieve a safety performance similar to last year, which was our safest workplace operating year since 2014.

Highlights

- Total number of workplace safety incidents reduced by 38% (from 156 to 97).
- Number of workplace safety accidents with lost time same as prior year (23).

Society

Progress
Philanthropy and social engagement have long been essential parts of the ED&F Man history and culture. We are committed to being a responsible member of society, building strong relationships with local communities. In so doing we improve local standards of living and help local economies, now and in the future.

Our world is not just made up of the commercial agricultural crops and food ingredients we trade, but also the people who cultivate, nurture and harvest them. It is mutually beneficial for us to work with all stakeholders to improve farm practices to increase yield and improve the quality of family life in origin communities, to work on improved cultivation practices to avoid the risk of crop damage or failure, thus also protecting and improving the quantity, continuity and quality of our sources of supply.

We pursue selected high-impact activities to support the farmers and communities, from where we source, through education, training and infrastructure investment, and in so doing combat poverty and the risk of rural flight. The unique Volcafe Way program in our Coffee unit builds resilience in key farming communities in our sourcing origins where our 250 field workers ensure social, environmental and economic sustainability for 43,000 coffee farming families, on farms covering 150,000 hectares in 10 countries.

We are particularly proud of our recently launched MAS Program in our MLP division. By setting aside a portion of the margin, this unit funds positive impact projects in the communities from where it sources sustainable cane molasses. In its first year this unique program was the runner-up in the 2020 Bonsucro Inspire Awards and is nominated for 2020 SEDEX Responsible Business Award.

Going beyond business, our charitable donations committee Charico manages the Group's charitable fund, supporting local projects focused on education, health, society and the provision of emergency aid in times of special need. It is also supporting and encouraging employee involvement in activities to improve socio-economic conditions in the communities in which we operate. The fund provides matching funding for employee initiatives and direct funding for projects nominated by employees.

MAS supported the Silvio Castro Community water project.

Highlights

- See page 24 for more on our support for charity this year.

Sustainability

We continue to seek out and support sustainable sources of the commodities we trade. We work with partners to secure industry standards of certification for products wherever possible. Our senior managers hold positions in sector bodies leading sustainability and best practice campaigning in coffee and sugarcane.

Coffee

Our Volcafe Way program supports farmers and their families in our sourcing origins to produce coffee sustainably and profitably, protecting their livelihoods. Tow hundred and fifty our expert field workers work with farmers, smallholders and their families to help secure great social environment and economic sustainability.

43,000
coffee-farming families

700
model farms

150,000
hectares in 10 countries

Volcafe Way is involved with farms covering 150,000 hectares and is present in 10 countries.

The managing director of our coffee business Volcafe, Trishul Mandana, sits on the board of the Global Coffee Platform, an association of coffee producers, traders, roasters, retailers, sustainability standards and civil society organisations, governments and donors, to work for a sustainable coffee sector.

GLOBAL COFFEE PLATFORM
for a sustainable coffee world

Molasses products and sugar trading

BON SUCRO
The global sugarcane platform
Proud member of Bonsucro

We are part of efforts to grow sustainable supply chains for these businesses too. Our organic sugar business, MAN Ingredients, is a market leader in the supply or organic sugar, securing raw materials from responsible and sustainable producers, working within the guidelines of internationally recognised certification agencies.

We continue our involvement with Bonsucro, the organisation working for sustainably sourcing in sugarcane.

Our Sustainability and Quality Director for MLP Meredith Smith is chair of the Members' Council, the representative group for Bonsucro members and sits on the Bonsucro Board of Directors.

Philanthropy and charitable giving

Covid-19 affected the involvement of colleagues in charities and good causes, curtailing activity and creating new causes in need of support.

Coffee in the name of colleague Rodrigo Suancha Choconta

ED&F Man lost valued colleagues to the effects of the pandemic. Colombian coffee mill worker Rodrigo Suancha Choconta died in July. Our Australian and Colombian offices created a special coffee in his name and donated proceeds from its sale to his family.

Davide Orsini and Enrico Zanetti from our MLP office in Bologna died in March. We made a donation in their names to the Bologna Hospital to cover the costs of PPE. "We welcomed ED&F Man's proposal with great pleasure, not only for the value in itself of the initiative, but also for the great contribution it has made to the health of our city." said Dr Francisco Rosetti, President, Il Bene Foundation, who worked as the intermediary with the Hospital.

Thousands of colleagues in our coffee business 'donated' holidays they were unable to take, that Volcafe turned into cash to donate. The amount was matched by ED&F Man's charity and a total of over $270,000 was distributed to organisations, nominated by employees, in the coffee communities where we work in Uganda, Kenya, India, Singapore, Honduras and Costa Rica.

In India our colleagues distributed 40,000 cooked meals for poor people who are struggling for food due to the pandemic as well as 'Happiness Kits' for 1,600 children studying at Government schools, including a mid-day meal, and 1,000 PPE kits for health workers working at Covid hospitals.

Singapore grappled with a significant rise in Covid-19 infections among migrant workers housed in dormitories. Volcafe donated care packages to the Migrant Workers' Centre made up of toiletries, snacks and instant coffee sourced from our roaster contacts. Volcafe worked with student at MINDS, a local group for people with learning difficulties, who helped with the logistics. Sixty students had the opportunity to practise skills taught in the classroom like communication, problem-solving, teamwork capabilities and time management.

Colleagues in the London office applied to Charico to match donations for good causes, donating the savings they were making by not commuting into the office. This included RISE, a domestic abuse charity that had seen a huge increase in demand due to the pressures of life under lockdown and

Preparing care packages in Singapore

to Southwark Council to support food banks for local people in need due to Covid-19.

Beyond Covid-19, our MLP division operates the MAS Program that funded three community impact projects this year, bringing potable water to 300 homes in Silvio Castro community in Nicaragua, providing potable water and sanitation facilities to 624 people at two schools in El Salvador, and providing transportation for 161 kidney patients and families to receive lifesaving treatment in Nicaragua.

We were also able to support Northwest Symphony Orchestra outreach programme and HeartGift, the charity supported by our New Orleans office, that funds travel and surgery for children with congenital heart disease, both in the US.

> **"This is the biggest vocational project this year that the school has undertaken. Through this project, our students have improved their vocational skills.**
>
> **Mr. Stephen Choon, Job Coach from MINDS, Lee Kong Chian Gardens School.**

Directors' report

The Directors present their report and audited financial statements for the year to 30 September 2020.

Results and dividends

The audited financial statements of the Group and the Company are shown on pages 30 to 81.

The loss after taxation attributable to owners of the Group for the year to 30 September 2020 amounted to $219 million (2019: Loss $239 million). The Directors do not recommend the payment of an ordinary dividend (2019: $Nil). During the year, no preference dividend was paid (2019: $Nil). Dividend per preference share was nil (2019: $Nil).

The financial statements are prepared in US 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 79 to 81 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 have 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 Town Halls. Follow-up surveys encourage employees to feedback to these. Company news and information are also provided through newsletters and our intranet. Employees participate directly in the success of the business through the Group's employee trust and share option schemes.

SECR disclosures 2020

Methodology

All product processing assets report on a monthly basis the use of energy, fuels, water, waste, etc. This is then converted into CO_2e emissions as per standard conversion factors also used by international and commonly applied standards and schemes (EU level, International Energy Agency, Defra Voluntary 2017 Reporting Guidelines).

Energy efficiency action taken

Energy saved across the Group was 3% compared to prior year. The biggest contributors to this achievement were our industrial sugar assets division, with a 3% total energy use reduction, and the coffee division where the energy use per MT of coffee processed decreased by 9%. This was the result of various projects on local country and mill level, switching to renewable electricity, renewable fuels and more efficient processing, which is now also happening in other business units. As a result, the total carbon emissions of the Group reduced by 4%. Most noteworthy is the big reduction of the Group's total water use by 24%, and a reduction in water use per metric tonne processed of 20%. The single biggest contributor to this result was Iansa in Chile, where water re-use equipment has been installed, various other water saving projects have been successfully executed, and a few processing locations were closed.

Donations

During the year the Group made charitable donations of $0.3 million and no political donations.

Charitable donations are described further on page 24.

Directors

The Board consists principally of Non-Executive Directors.

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

- Rafael Fernando Muguiro
- Mark Haynes Daniell
- Laurie Peter Adrian Foulds (resigned 29/06/2020)
- Dr Wolfgang Helmut Heer (resigned 5/02/2020)
- Thomas Kölbl (resigned 15/09/2020)
- Ross George Reason
- Niels Vesterdal
- Lukas Paravicini
- Dr Niels Pörksen (appointed 01/03/2020)

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.

Streamlined Energy & Carbon Reporting (SECR) disclosures 2020

From financial years beginning on or after 1 April 2019, large UK companies are required to report publicly on their UK energy use and carbon emissions. This is the Group's first SECR report.

	Unit	2020 Group	2020 UK only
Energy use (include purchased electricity, gas, fuels, oil, coal, etc)	kWh	**794,044,279**	**3,250,954**
• Associated Scope 1 emissions	Mt CO_2	**197,737**	**786**
• Associated Scope 2 emissions	Mt CO_2	**35,014**	**239**
Intensity ratio 1 – carbon emissions per MT processed	Kg CO_2/MT	**52**	**2**

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 EU 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 28 to the financial statements, the Group meets its day-to-day working capital requirements through various sources of short and medium-term finance. As at 30 September 2020, committed facilities of $163 million mature in September 2021.

Following our three-year refinancing, we have built a strong liquidity position which means that we are able to sustain the business throughout this crisis and take advantage of market opportunities as they arise. The Group have already commenced discussions with several lenders to ensure facilities maturing in September 2021 can be replaced by new facilities well ahead of the maturity dates. These discussions have not revealed any matters which would suggest that any replacement financing may not be forthcoming on acceptable terms and at acceptable levels. Any delays in refinancing the September 2021 maturing facilities can be managed by a number of potential mitigations available to the Group, such as reduction in working capital levels, particularly with the Group's Readily Marketable Inventory (RMI), capital expenditure, reduction of discretionary costs and overheads, if required. We have been able to continue trading profitably within our commodities and brokerage businesses through the crisis. Accordingly, the annual financial statements have been prepared on a going concern basis. Please see Note 1, Basis of Preparation in the annual financial statements for further details on our evaluation of the Group's ability to continue as a going concern.

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
19 December 2020

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 Committees of the Agricultural and Brokerage businesses.

Board members

- Rafael Muguiro – Chairman
- Ross Reason – Non-Executive Director – Deputy Chairman
- Laurie Foulds – Group Chief Operating Officer (resigned 29/06/2020)
- Dr Wolfgang Heer – Non-Executive Director[1] (resigned 05/02/2020)
- Thomas Kölbl – Non-Executive Director[1] (resigned 15/09/20)
- Mark Daniell – Non-Executive Director
- Niels Vesterdal – Non-Executive Director
- Lukas Paravicini – Group Chief Financial Officer
- Dr Niels Pörksen – Non-Executive Director[1] (appointed 01/03/20)

1 Südzucker shareholder appointee.

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 is chaired by Board member and non-executive director Ross Reason and meets quarterly. The membership is made up of two other Non-Executive Directors of the Board. Attendees of the Audit Committee include the Group Chief Financial Officer, Group Finance Director, Head of Internal Audit and the External Auditor.

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.

The Risk Committee is chaired by Board member and CFO Lukas Paravicini and members include the Chairman, Group Finance Director, Group Head of Risk and Managing Director, Financial Services.

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.

The Group is chaired by Board member and Non-Executive Director Mark Daniell and members include the Head of Research, representatives from each business and members of the 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 Directors and heads of business units. 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.

The Remuneration and Nomination Committee is chaired by Board member and Non-Executive Director Ross Reason and other members were the Chairman and one of the Non-Executive Directors.

Independent auditor's report

To the Members of ED&F Man Holdings Limited

Opinion

We have audited the financial statements of ED&F Man Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the consolidated profit and loss, the consolidated statement of comprehensive income, the consolidated of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows, the related notes 1 to 39, the Company balance sheet, the Company statement of changes in equity and the Company related notes 1 to 5, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements 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, 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 Group's and of the parent company's affairs as at 30 September 2020 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 in with United Kingdom Generally Accepted Accounting Practice; 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, 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.

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 26, 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.

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.

Use of our 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.

Andrew Smyth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom

Consolidated statement of profit or loss

for the year ended 30 September 2020

		30 September 2020 $m			30 September 2019 $m		
	Note	**Underlying[1]**	**Other items[2]**	**Total**	Underlying[1]	Other items[2]	Total
Revenue	6	**6,814.6**	**91.4**	**6,906.0**	7,368.0	363.1	7,731.1
Cost of sales		**(6,290.6)**	**(86.4)**	**(6,377.0)**	(6,859.0)	(376.2)	(7,235.2)
Gross profit/(loss)		**524.0**	**5.0**	**529.0**	509.0	(13.1)	495.9
Administrative and selling expenses		**(403.9)**	**(21.1)**	**(425.0)**	(383.0)	(25.5)	(408.5)
Operating profit/(loss)		**120.1**	**(16.1)**	**104.0**	126.0	(38.6)	87.4
Share of profit or loss of entities accounted for using the equity method		**(0.8)**	**5.1**	**4.3**	1.0	(28.0)	(27.0)
Gain on disposal of investments	11	**–**	**31.3**	**31.3**	1.5	–	1.5
Gain/(loss) on disposal of property, plant and equipment	11	**(2.6)**	**0.4**	**(2.2)**	7.6	–	7.6
Reversal of impairment/(impairment) of investments		**1.2**	**–**	**1.2**	(4.9)	(6.3)	(11.2)
Impairment of goodwill	15	**–**	**(4.9)**	**(4.9)**	–	–	–
Recycling of translation reserve	7	**–**	**(75.8)**	**(75.8)**	–	–	–
Impairment of property, plant and equipment	8, 16	**(22.1)**	**(6.7)**	**(28.8)**	(2.8)	(7.0)	(9.8)
Restructuring costs		**(0.5)**	**1.9**	**1.4**	(0.3)	0.9	0.6
Impairment of receivable from entity accounted for using the equity method	20	**–**	**(76.1)**	**(76.1)**	–	(169.9)	(169.9)
Profit/(loss) before interest and tax		**95.3**	**(140.9)**	**(45.6)**	128.1	(248.9)	(120.8)
Finance costs, net	8, 12	**(136.4)**	**(0.2)**	**(136.6)**	(61.6)	(15.6)	(77.2)
Lease interest	8, 12	**(3.7)**	**(0.7)**	**(4.4)**	–	–	–
Profit/(loss) before tax		**(44.8)**	**(141.8)**	**(186.6)**	66.5	(264.5)	(198.0)
Income tax (expense)/benefit	14	**(35.1)**	**3.0**	**(32.1)**	(46.3)	5.1	(41.2)
Net profit/(loss) for the period		**(79.9)**	**(138.8)**	**(218.7)**	20.2	(259.4)	(239.2)
Attributable to:							
Owners of the Group							
Loss for the year attributable to the owners of the Group				**(216.7)**			(241.0)
Non-controlling interests							
(Loss)/profit for the year after tax attributable to the non-controlling interest				**(2.0)**			1.8
Loss for the year after tax on discontinued operations (nil attributable to non-controlling interest)				**(15.3)**			(46.1)

The Notes on pages 35 to 78 form an integral part of these financial statements.

1. Underlying represents the results before Other Items.
2. Other Items relate to discontinued operations, results attributable to businesses and joint ventures that management have committed to sell and/or exit as at 30 September 2020 but do not meet the criteria for classification as discontinued operations as per IFRS 5 and impairment in respect of such businesses. See Note 2.6.

Consolidated statement of comprehensive income

for the year ended 30 September 2020

	Note	2020 $m	2019 $m
Loss for the year after tax		**(218.7)**	(239.2)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) recognised on defined benefit schemes	13	**3.0**	(2.2)
Share of movement of joint ventures' reserves		**(0.3)**	0.6
		2.7	(1.6)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on retranslation of net assets of subsidiary undertakings		**(9.9)**	(1.8)
Currency translation differences on net investment hedges		**(3.9)**	4.9
Fair value movement on available for sale investments		**(0.7)**	(0.2)
Deferred tax recognised on available for sale investments		**1.4**	(0.3)
Effective portion of changes in fair value of cash flow hedges – net of deferred taxes		**(3.6)**	(4.7)
Effective portion of changes in fair value of cash flow hedges from joint ventures – net of deferred taxes		**–**	(2.2)
Total other comprehensive loss for the year		**(14.0)**	(5.9)
Total comprehensive loss for the year		**(232.7)**	(245.1)
Total comprehensive loss for the period is attributable to:			
Owners of the Group			
Total comprehensive loss for the year after tax from continuing operations		**(217.2)**	(204.5)
Total comprehensive loss for the year after tax from discontinued operations		**(13.2)**	(41.8)
Total comprehensive loss for the year attributable to the owners of the Group		**(230.4)**	(246.3)
Non-controlling interest			
Total comprehensive gain/(loss) for the year after tax from continuing operations		**(2.3)**	1.2
Total comprehensive gain/(loss) for the year after tax from discontinued operations		**–**	–
Total comprehensive gain/(loss) for the year attributable to non-controlling interests		**(2.3)**	1.2

The Notes on pages 35 to 78 form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 September 2020

	Equity attributable to the equity holders of the Parent									
	Share capital $m	Preference shares $m	Share premium account $m	Retained earnings $m	Fair value reserve $m	Translation reserve $m	Capital redemption reserve $m	Total $m	Non-controlling interest $m	Total equity $m
As at 30 September 2018 (restated)	**121.2**	**64.5**	**183.0**	**471.8**	**7.2**	**(104.0)**	**14.5**	**758.2**	**45.4**	**803.6**
Impact from adoption of IFRS 9	–	–	–	–	(1.4)	–	–	(1.4)	–	(1.4)
As at 1 October 2018 (restated)	**121.2**	**64.5**	**183.0**	**471.8**	**5.8**	**(104.0)**	**14.5**	**756.8**	**45.4**	**802.2**
Gain/(loss) for the year	–	–	–	(241.0)	–	–	–	(241.0)	1.8	(239.2)
Other comprehensive gain/(loss)	–	–	–	(1.6)	(7.0)	3.3	–	(5.3)	(0.6)	(5.9)
Total comprehensive income/(loss)	–	–	–	(242.6)	(7.0)	3.3	–	(246.3)	1.2	(245.1)
Purchase of own shares	–	–	–	(33.0)	–	–	–	(33.0)	–	(33.0)
Share-based payments	–	–	–	13.5	–	–	–	13.5	–	13.5
Shares issued	1.0	–	(1.0)	–	–	–	–	–	–	–
As at 30 September 2019	**122.2**	**64.5**	**182.0**	**209.7**	**(1.2)**	**(100.7)**	**14.5**	**491.0**	**46.6**	**537.6**
Loss for the year	–	–	–	(216.7)	–	–	–	(216.7)	(2.0)	(218.7)
Other comprehensive gain/(loss)	–	–	–	3.0	(2.9)	(13.8)	–	(13.7)	(0.3)	(14.0)
Total comprehensive loss	–	–	–	(213.7)	(2.9)	(13.8)	–	(230.4)	(2.3)	(232.7)
Purchase of own shares	–	–	–	(28.3)	–	–	–	(28.3)	–	(28.3)
Share-based payments	–	–	–	6.1	–	–	–	6.1	–	6.1
Recycling of translation reserve (Note 8)	–	–	–	–	–	75.8	–	75.8	–	75.8
Shares issued	1.0	–	(1.0)	–	–	–	–	–	–	–
As at 30 September 2020	**123.2**	**64.5**	**181.0**	**(26.2)**	**(4.1)**	**(38.7)**	**14.5**	**314.2**	**44.3**	**358.5**

The Notes on pages 35 to 78 form an integral part of these financial statements.

Consolidated statement of financial position

As at 30 September 2020

	Note	2020 $m	2019 $m
Non-current assets			
Property, plant and equipment	16	**433.6**	475.5
Right-of-use assets	17	**123.9**	–
Intangible assets	15	**64.3**	71.3
Investment property	19	**0.4**	0.5
Investments in joint ventures and associates	20	**31.3**	64.7
Available for sale investments	21	**17.8**	19.4
Trade and other receivables	24	**9.3**	11.4
Financial assets	28	**20.0**	10.5
Deferred tax asset	14	**67.0**	63.0
		767.6	716.3
Current assets			
Inventories	22	**781.9**	809.3
Biological assets	23	**6.6**	6.5
Trade receivables	24	**5,243.5**	5,832.9
Other financial assets	28	**15,193.7**	17,294.6
Restricted cash	18	**8.3**	–
Cash and cash equivalents	18	**1,516.7**	762.3
Assets included in disposal groups classified as held for sale	8	**34.3**	142.1
		22,785.0	24,847.7
Total assets		**23,552.6**	25,564.0
Current liabilities			
Trade and other payables	25	**5,757.3**	5,589.2
Lease liabilities	27	**30.1**	–
Loans and overdrafts	26	**494.5**	1,486.5
Other financial liabilities	28	**15,109.0**	17,248.8
Liabilities included in disposal groups classified as held for sale	8	**6.7**	64.9
		21,397.6	24,389.4
Net current assets		**1,387.4**	458.3
Non-current liabilities			
Trade and other payables	25	**13.8**	24.5
Lease liabilities	27	**106.9**	–
Loans and overdrafts	26	**1,624.2**	558.7
Other financial liabilities	28	**8.3**	9.8
Provisions	29	**8.5**	9.8
Employee benefit obligations	13	**10.4**	13.1
Deferred tax liabilities	14	**24.4**	21.1
		1,796.5	637.0
Net assets		**358.5**	537.6
Equity attributable to owners of the Group		**314.2**	491.0
Non-controlling interest	39	**44.3**	46.6
Total equity		**358.5**	537.6

The Notes on pages 35 to 78 form an integral part of these financial statements. Approved by the Board of Directors on 19 December 2020 and signed on its behalf by:

Rafael Muguiro
Chairman

Lukas Paravicini
Group Chief Financial Officer

Consolidated statement of cash flows

for the year ended 30 September 2020

	Note	2020 $m	2019 $m
Net cash inflow from operating activities	33	**880.3**	172.0
Cash flows from investing activities			
Dividends from associates and joint ventures	20	**3.8**	3.3
Interest received	12	**5.8**	57.0
Purchase of property, plant and equipment	16	**(44.8)**	(46.0)
Proceeds on sale of property, plant and equipment	11	**–**	18.2
Proceeds from sale of subsidiaries	11	**29.1**	–
Proceeds from sale of equity investments		**29.5**	–
Purchase of investments		**–**	(5.2)
Purchase of intangible assets	15	**(4.7)**	(4.5)
Net cash (outflow)/inflow from investing activities		**18.7**	22.8
Cash flows from financing activities			
Increase/(decrease) in borrowings	26	**62.2**	(97.1)
Purchase of own shares	32	**(28.3)**	(33.0)
Payment of interest on leases	27	**(3.7)**	–
Principal element of lease payments (repayment of lease liabilities)	26	**(31.6)**	–
Finance costs	12	**(142.2)**	(134.2)
Net cash outflow from financing activities		**(143.6)**	(264.3)
Net increase/(decrease) in cash and cash equivalents		**755.4**	(69.5)
Cash and cash equivalents at the beginning of the financial year		**762.3**	834.4
Cash held in discontinued operations	8	**(2.8)**	(3.1)
Effect of foreign exchange rate changes		**1.8**	0.5
Cash and cash equivalents at the end year	18	**1,516.7**	762.3

Includes cash flows from assets held for sale. See Note 8.

The Notes on pages 35 to 78 form an integral part of these financial statements.

Notes to the consolidated financial statements

for the year ended 30 September 2020

1 General information

ED&F Man Holdings Limited (ED&F Man) and its subsidiaries (collectively, the Group) is a private limited company domiciled in the United Kingdom and incorporated under the Companies Act 2006 and is engaged in the business of sourcing, storage, processing and distribution of a range of products including sugar, coffee, molasses, animal feed, fish oil and pulses. The Group delivers world-class products and services to clients including coffee roasters, food processors, drinks distillers and cattle farmers, supplying household names and best-loved brands. The Group manages price risk through hedging and also offers direct access to global commodities and capital markets through its own brokerage business and provides a full suite of products across most of the world's major exchanges including trade processing, clearing, execution, financing, and agency-based electronic and voice brokerage services.

During 2020, ED&F Man reorganised the businesses into three main operating segments: Commodities Trading, Brokerage and Holdings. This involved changes in ownership of various subsidiaries within the Group to align them better to these operating segments. The purpose of this reorganisation was to provide a clear perspective on the operational performance of each of the businesses, create opportunities to secure funding specific to each segment and separate performance of ED&F Man's legacy businesses.

The Commodities segment includes Coffee, Molasses and Liquid Products and the Sugar Trading division. Brokerage is a global financial brokerage business and forms ED&F Man's financial services division. Holdings includes debt to the Mexican joint venture, beet sugar farm in Ukraine and investment in Iansa.

2 Accounting policies

2.1 Basis of preparation and going concern

The Consolidated Financial Statements of the Group have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee.

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities and the Group's principal risks and uncertainties in the context of the current operating environment. This includes possible impact of the global Covid-19 pandemic on the Group and reviews of liquidity and covenant forecasts.

The Group completed a three-year refinancing arrangement with its lenders on 15 September 2020, see Note 26 for details. The Group prepared a Business Plan which considered the potential impact of Covid-19 and forms the base case going concern model, reflecting the current business performance, deterioration in economic conditions and the resulting impact on customers and ability to operate effectively during a period of remote working. The going concern model and its sensitivities indicates that even with the continuing Covid-19 environment that exists at the time of signing, the business would continue to have sufficient liquidity headroom on the financial facilities being made available to it. Moreover, the Group have already commenced discussions with a number of lenders to ensure the bridge loan facility maturing in September 2021 can be replaced by new facilities well ahead of the maturity date.

In all assessments, including any delays in refinancing the September 2021 maturing facility, the Group has the ability to extend the potential mitigations available to it, such as reduction in working capital levels, particularly through the realisation of readily marketable inventories, a decrease in capital expenditure and/or reduction of discretionary costs and overheads, if required.

Based on the current performance, forecasts, debt servicing requirements, total facilities and risks, the Board has a reasonable expectation that the Group has adequate resources to continue as a going concern for a period of 12 months from the date of signing of these annual financial statements.

Separate financial statements of the parent company are attached.

2.2 Basis of measurement

The Consolidated Financial Statements are prepared on the historical cost basis except for certain inventories and derivative financial instruments. The derivative financial instruments are measured at fair value through other comprehensive income or fair value through profit and loss. The defined benefit plan assets and biological assets are stated at their fair value. Non-current assets and liabilities held for sale are stated at the lower of carrying amount and fair value less cost of disposal.

2.3 Basis of consolidation – subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where either a parent entity is exposed, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A parent entity has power over the subsidiary when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those that significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary. In assessing control, potential voting rights that are currently exercisable or convertible are considered. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control begins until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The financial statements are presented in United States Dollars (USD) or ($) million and have been rounded to the nearest USD 0.1 million.

2.4 Foreign currency

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 2020

2 Accounting policies continued

The Group's consolidated financial statements are presented in USD (presentational currency). This is also the functional currency for the majority of the Group's operations. The assets and liabilities of subsidiaries and equity method investees whose functional currency is not USD are translated at the exchange rate 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 consolidated statement of 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 IFRS 9, Financial Instruments. In these circumstances, the translation differences are taken directly to the translation reserve and are shown in other comprehensive income. When the net investment in foreign operation is sold, closed or abandoned, the translation differences accumulated within shareholders' equity are transferred to the consolidated statement of profit or loss.

2.5 Other significant accounting policies

Accounting policies for individual balance sheet and income statement accounts are included in the respective footnotes.

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 on inventories held for trading and the changes in fair value of forward commodity contracts meeting the definition of derivative financial instruments. See Note 7.

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. See Note 20.

2.6 Other Items

The Group separately discloses Other Items within the consolidated profit or loss statement. Other Items relate to results attributable to businesses and joint ventures that management have committed to sell and/or exit as at 30 September but which do not meet the criteria for classification as discontinued operations as per IFRS 5 and includes impairment charges and transfer of translation reserves for such businesses.

Separately disclosed Other Items, namely items that are material either because of their size or their nature, or which are non-recurring, are presented within their relevant income statement category, but highlighted through separate disclosure. The separate reporting helps provide a full understanding of the Group's underlying performance which is represented by the consolidated financial results before Other Items.

During 2020, the following Group's businesses were classified in Other Items:
- Write down of asset values to lower of cost and net realisable value and transfer of Translation Reserve to the Profit or Loss statement for the Ukraine Sugar Company, the sugar mill in Ukraine.
- Impairment of assets and losses at the Agro Dilo, sugar farm in Ukraine.
- Impairment of loans receivable from Azucar Grupo Saenz, S.A de C.V. (AGS) joint venture.
- Losses and expenses relating to the closure of the Equity Finance Desk within Brokerage.
- Shipping Division sold in February 2020.
- Sugat Industries Ltd in Israel, sold in October 2019.
- Associates sold during the year in Mexico and Tanzania.

3 New and revised standards

3.1 IFRIC 23, Uncertainty over Income Tax Treatments (IFRIC 23)

The interpretation was applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 Income Taxes. IFRIC 23 became effective at 1 October 2019 (Transition Date) for the Group. The financial impact of this, together with any other implications of this interpretation has not had a material impact on the Group's financial statements.

3.2 Adoption of IFRS 16, Leases (IFRS 16)

IFRS 16 provides for identification of lease arrangements and their treatment and replaces IAS 17, Leases (IAS 17) and related guidance under IFRS and became effective at 1 October 2019 for the Group.

The new standard requires 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. IFRS 16 removes the distinction between operating and financing leases and requires lessees to recognise most leases as right-of-use assets and related lease liabilities on the statement of financial position.

3 New and revised standards continued

The modified retrospective approach was used for transition to IFRS 16, under which the cumulative effect of initially applying IFRS 16 was recognised directly to opening retained earnings at 1 October 2019. Accordingly, the comparative information presented at 30 September 2019 has not been restated and remains as previously reported, under IAS 17 and related interpretations. The Group adopted the following practical expedients at the Transition Date:

- Reliance on the previous identification of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application;
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review;
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 October 2019 as short-term leases; and
- The use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

IFRS 16 has a material impact on the consolidated financial statements of the Group due to the nature, number and complexity of lease contracts to which the Group was committed to at transition.

On 1 October 2019, a right-of-use asset of $150.4 million (see Note 17) and lease liability of $158.8 million (see Note 27) was recorded on the consolidated balance sheet. On implementation of IFRS 16, the Group reduced the right-of-use assets by $8.4 million relating to the rent-free period adjustment on two of its office properties. There was no deferred tax impact on Transition Date.

On Transition Date, the right-of-use assets and lease liabilities of $53.3 million relating to the Shipping Division were classified as assets held for sale. The sale of this business completed in February 2020 and we have shown the movement of these right-of-use assets and lease liabilities in the respective footnotes.

The primary impacts on the Group's financial statements, and the key reasons for the movements recorded in the Consolidated Statement of Financial Position on 1 October 2019, as a result of applying the IFRS 16 accounting policy in place of the previous policy under IAS 17 are:

- Under IAS 17, lessees classified leases as either operating or finance leases. Operating lease costs were expensed on a straight-line basis over the period of the lease. Finance leases resulted in the recognition, in the statement of financial position, of an asset and a corresponding liability for lease payments, at present value.
- Under IFRS 16 almost all lease agreements give rise to the recognition of a right-of-use asset representing the right to use the leased item and a liability for any future lease payments over the 'reasonably certain' period of the lease, which may include future lease periods for which the Group has extension options.
- Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include options to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate. The weighted average of the incremental borrowing rate at 1 October 2019 was 2.49%.
- Right-of-use assets are measured initially at cost based on the associated lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.
- Subsequent to initial recognition, the Group records an interest charge in respect of the lease liability. The related right-of-use asset is depreciated over the term of the lease or, if shorter, the leased asset's economic life. Lessee accounting under IFRS 16 is similar to finance lease accounting for lessees under IAS 17. The lease costs are recognised in the form of depreciation of the right-of-use asset and interest on the lease liability which is generally discounted at the incremental borrowing rate of the relevant Group entity. Interest charges will typically be higher in the early stages of a lease and will reduce over the term. Lease interest costs are recorded in financing costs and associated cash payments are classified as financing cash flows in the Group's cash flow statement.
- Under IFRS 16 cash inflows from operating activities and payments classified within net cash outflows from financing activities both increase, as payments made at both lease inception and subsequently are characterised as repayments of lease liabilities and interest. Under IAS 17 operating lease payments were treated as an operating cash outflow. Net cash flows are not impacted by the change in policy.

During the year ended 30 September 2019 an expense of $57.2 million was charged for operating leases. During the year ended 30 September 2020, amortisation of right-of-use assets of $30.4 million and interest expense of $4.4 million has been charged in relation to leases.

3.3 New Standards issued but not yet effective

The following pronouncements issued by the International Accounting Standards Board (IASB) are effective for periods commencing on or after 1 January 2020 and have been endorsed by the EU. The Group's financial reporting will be presented in accordance with these new standards, which are not expected to have a material impact on the consolidated income statement, consolidated statement of financial position or consolidated cash flow statement from 1 September 2020.

- Amendments to IAS 1 and IAS 8 Definition of Material; and
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform.

The IASB issued narrow-scope amendments in May 2020 as a part of Annual Improvements to IFRS Standards 2018-2020. As stated in Note 26, the Group has early adopted the Annual Improvements to IFRS Standards 2018–2020 which amended IFRS 9 paragraph B3.3.6.

The Group's work to assess the impact of these accounting changes is continuing; however, the changes are not expected to have a material impact on the consolidated income statement, consolidated statement of financial position or consolidated cash flow statement.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

4 Critical accounting judgements, and key sources of estimation uncertainty

In connection with the preparation of the consolidated financial statements, management has made assumptions and estimates about future events, and applied judgements that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. Actual results may differ from these estimates. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgements to ensure that the Financial Statements are presented fairly and in accordance with IFRS, applied on a consistent basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the change affects both as per IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8).

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 IFRS 13. See Note 28 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) and by using models with externally verifiable inputs (Level 2).

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.

The Group has performed an assessment of the Expected Credit Loss provision required in respect of the carrying value of its loans and receivables due from the AGS, joint venture. The provision has increased due to AGS's continuing losses and the stalled sales process for the final sugar mill due to Covid-19. The assessment considered information from the sales process for one mill and the assets of another which took place during the year, as well as forecast performance for the remaining operating mill, Tamazula and expectations regarding the disposal of that mill. The assessment included performing a discounted cashflow in relation to Tamazula. A number of judgements and estimates were required to perform the overall assessment including those relating to future sugar prices and differentials, mill volume, recoverability of working capital including VAT and estimates of closure and disposal costs as well as the discount rate used. A variation in the actual results of any of these matters compared to the estimates used in our modelling would lead to an adjustment to the ultimate recovery of the receivables. As a result of the assessment the Group has recorded an increase in the expected credit loss provision of a further $76.1 million (2019: $169.9m) against the carrying value of the Group's receivables related to AGS. See Note 20 for further details.

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. See Note 29 and Note 35.

Fair valuation of non-financial assets and liabilities

Certain non-financial items such as held for trading inventories and biological assets are required to be fair valued. The fair value is determined by the prices of these products which are established by applying either Level 1 or Level 2 of the fair value hierarchy as set out in IFRS 13 – Fair Value.

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. See Note 14.

5 Business and geographic segment information

The Group has three reportable segments, which are Commodity Trading, Brokerage and Holdings. The reportable segments have changed in line with the Project Earth restructure and prior year information have been represented in line with the current year presentation. The nature of these segments is described in Note 1.

Reportable segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The Company's executive management team has been identified as the chief operating decision-makers as they direct the allocation of resources to operating segments based on the operating profit/(loss) and cash flows of each respective segment. The basis of measurement and accounting policies of the reportable segments are the same as those described in Note 2. Inter-segment sales and transfers are not significant and have been eliminated and not included in the following table.

30 September 2020	Commodity Trading	Brokerage	Holdings (a)	Total
Operating revenue	**5,590.2**	**826.5**	**489.3**	**6,906.0**
Depreciation, amortisation and impairment (b)	**(35.4)**	**(8.9)**	**(138.3)**	**(182.6)**
Operating profit/(loss) (c)	**123.6**	**5.7**	**(25.3)**	**104.0**
Finance expense, net				**141.0**
Loss before tax				**(186.6)**
Balance sheet				
Capital expenditures (d)	**24.2**	**4.9**	**20.5**	**49.6**
Non-current assets	**301.7**	**60.3**	**423.2**	**785.2**
Net current assets	**212.5**	**332.9**	**830.3**	**1,375.7**
Net assets	**419.1**	**365.2**	**(425.8)**	**358.5**

30 September 2019	Commodity Trading	Brokerage	Holdings (a)	Total
Operating revenue	5,387.9	1,554.8	788.4	7,731.1
Depreciation, amortisation and impairments (b)	(19.6)	(4.7)	(204.2)	(228.5)
Operating profit/(loss) (c)	147.0	56.1	(115.7)	87.4
Finance (expense)/income, net				(77.2)
Loss before tax				(198.0)
Balance sheet				
Capital expenditures (d)	22.9	4.8	22.9	50.6
Non-current assets	224.0	48.7	476.3	749.0
Net current assets	440.4	318.0	(329.3)	429.1
Net assets	625.0	369.7	(457.2)	537.5

(a) Holdings includes the Group's agricultural industrial investments, corporate related items, assets held for sale and the results of other insignificant operations not reportable under other segments.
(b) Includes impairment losses of relating to a receivable from a joint venture, and assets at Iansa and Ukraine. See Notes 16 and 20.
(c) Operating Profit is after corporate management charges allocated to each business based on directly attributable costs or net assets.
(d) Capital expenditures include additions to property, plant and equipment, deposits and intangible assets other than goodwill.

There were no customers of Commodity Trading, Brokerage and Holdings segments that accounted for more than 10% of the consolidated operating revenue for the years ended 30 September 2020 and 2019.

Operating analysis

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

The Group's geographical markets remain as Europe, North America, Latin America, Africa and Asia.

The Group's material associates and joint ventures form part of the Commodity Trading 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.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

6 Revenue

Operating revenue is recognised when performance obligations are met, by transferring a promised good or service to a customer. A performance obligation is satisfied at a point in time of transfer goods to a customer or over time. For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Revenue from the delivery of traded commodities

As noted in the financial instruments policy Note 28, certain of the Group's physical commodity contracts meet the definition of a derivative financial instrument and are accordingly fair valued in accordance with IFRS 9 with gains or losses recorded through cost of sales. When such contracts are physically delivered, the revenue is recorded at the fair value of consideration received, net of discounts, customs duties and sales taxes. Such delivery 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).

Revenue from contracts with customers

Revenue from contracts for the sale of goods which fall outside of the scope of IFRS 9 ('own use' contracts) or from contracts for the provision of services is measured at the fair value of consideration based on consideration specified in a contract with a customer or consideration expected to be received, net of discounts, customs duties and sales taxes, and is recognised at a point in time when the performance obligations under the contract have been fulfilled and control of the goods has transferred to the customer based on the delivery terms stated in the contract. Sales terms provide for transfer of title either at the time and point of shipment or at the time and point of delivery and acceptance of the product being sold. In contracts that do not specify the timing of transfer of legal title or transfer of significant risks and rewards of ownership, judgment is required in determining the timing of transfer of control. In such cases, the Group considers standard business practices and the relevant laws and regulations applicable to the transaction to determine when legal title or the significant risks and rewards of ownership are transferred.

Performance obligations include the sale and delivery of goods to a customer and the provision of services such as storage. The transaction price is generally allocated to performance obligations on a relative standalone selling price basis.

Brokerage and financial services

Brokerage revenue comprises interest income, fee income and income on financial instruments measured at fair value through profit and loss. Interest income is generated from margins balances held and financing transactions and is recognised as earned. Fee income, which mainly comprises execution and clearing commissions, is recognised when the performance obligation to the customer has been fulfilled.

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary continuing activities, stated net of sales taxes. This excludes $91.4 million (2019: $363.1 million) revenues related to discontinued operations. See Note 8.

	2020 $m	2019 $m
Revenue from contracts with customers	**2,251.8**	2,218.5
Revenue from the delivery of traded commodities	**3,925.7**	3,806.6
Brokerage and financial services	**637.1**	1,342.9
	6,814.6	7,368.0

Revenue from contracts with customers is accounted for under IFRS 15, with 65% (2019: 59%) from the Molasses and Liquid Products division, 18% (2019: 18%) from the Agri Industrial division, 6% (2019: 10%) from Pulses division and 8% (2019: 9%) from the Brokerage division. The residual amount relates to Sugar and Coffee divisions, for which the revenue is primarily disclosed in revenue from the delivery of traded commodities.

7 Operating profit/(loss)

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

	Note	**2020 $m**	2019 $m
Depreciation of property, plant and equipment	16	**41.0**	42.1
Amortisation of intangible assets	15	**5.3**	6.8
Expenses arising from share option plans	32	**6.1**	13.5
Amortisation of right-of-use assets	17	**30.4**	–
Foreign exchange differences		**50.6**	(12.2)
Operating lease rentals	27	**2.7**	57.2

The difference between the above figures for depreciation of property, plant and equipment and amortisation of right-of-use assets and Notes 16 and 17 relate to discontinued operations.

Foreign exchange differences are net of $75.8 million of foreign exchange translation reserves relating to the abandonment of the Ukraine sugar mill and the sale of sugar mills in Mexico and Tanzania.

Operating lease rentals relates to leases with a duration of less than 12 months or leases individually less than $5,000.

8 Disposal groups held for sale and discontinued activities

Non-current assets, current assets and liabilities included in disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for immediate disposal and the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

As of 30 September 2019, the Group classified the Sugat Industries Ltd, Ukrainian sugar factory and farm and Shipping division as assets held for sale. All were representing major lines of business; they were also classified as discontinued operations.

As of 30 September 2020, the Group classified the Agro Dilo, sugar farm in Ukraine, as disposal group held for sale and the closure of this facility is expected to be completed in 2021.

As of 30 September 2020, the major classes of assets and liabilities of the disposal groups measured at the lower of carrying amount and fair value less costs to sell were as follows:

	2020 $m	2019 $m
Property, plant and equipment	**20.1**	32.6
Right-of-use assets	**5.8**	–
Intangible assets	**–**	0.5
Inventories	**2.6**	30.6
Biological assets	**1.7**	2.7
Trade and other receivables	**1.3**	53.2
Other financial assets	**–**	19.4
Cash and cash equivalents	**2.8**	3.1
Assets classified as held for sale	**34.3**	142.1
Creditors due within one year	**(0.9)**	(41.9)
Loans and overdrafts due within one year	**–**	(6.3)
Other financial liabilities	**–**	(16.0)
Provisions	**–**	(0.7)
Finance lease obligation	**(5.8)**	–
Liabilities directly associated with assets classified as held for sale	**(6.7)**	(64.9)

Impairment losses of $6.6 million has been recognised in the year (2019: $9.8 million) of which $3.0 million relates to the Ukrainian sugar mill and $3.6 million to the Agro Dilo sugar farm in Ukraine for write-downs of this disposal group to the lower of its carrying amount and its fair value less costs to sell. The impairment losses have been applied to reduce the carrying amount of property, plant and equipment within the disposal group.

Amounts recognised in the profit or loss statement in respect of the discontinued operations and included in Other Items (see Note 2.6) for the year to 30 September 2020 and 30 September 2019 are presented below.

	2020 $m	2019 $m
Revenue	**91.4**	363.1
Cost of sales	**(86.4)**	(367.0)
Gross profit/(loss)	**5.0**	(3.9)
Selling and administrative expenses	**(21.1)**	(25.5)
Operating loss	**(16.1)**	(29.4)
Profit/(loss) on disposal of property, plant and equipment	**0.4**	(0.1)
Impairment of fixed assets	**(3.6)**	(7.0)
Provision for restructuring	**1.9**	0.9
Loss before interest and tax	**(17.4)**	(35.6)
Net financing costs	**(0.9)**	(15.6)
Loss before tax	**(18.3)**	(51.2)
Tax	**3.0**	5.1
Loss for the year after tax from discontinued operations	**(15.3)**	(46.1)

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

8 Disposal groups held for sale and discontinued activities continued

The net cash flows in respect of these discontinued operations for the year to 30 September are as follows:

	2020 $m	2019 $m
Net cash inflow/(outflow) from discontinued operating activities	**1.1**	(85.4)
Net cash from/(used in) investing activities	**5.6**	(1.3)
Net cash outflow from financing activities	**(6.4)**	(2.7)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**0.3**	(89.4)
Cash and cash equivalents at the beginning of the year	**3.1**	92.8
Effect of foreign exchange rate changes	**(0.6)**	(0.3)
Cash and cash equivalents from discontinued operations at the end of the year	**2.8**	3.1

Amounts recognised in other comprehensive income and accumulated in equity in relation to assets held for sale amount to $2.1 million (2019: negative $63.0 million).

9 Directors' remuneration

	2020 $m	2019 $m
Remuneration	**7.5**	2.3
Amounts charged in respect of pension schemes	**–**	–
Amounts paid to third parties in respect of Directors' services	**–**	–
Amounts charged in respect of compensation for loss of office	**–**	–

	2020 Number	2019 Number
Members of money purchase pension schemes	**2**	2
Members of defined benefit schemes	**–**	–
Directors who were granted share options in the year	**1**	2
Directors who exercised share options in the year	**1**	–

The remuneration paid to the highest paid Director was $3.0 million (2019: $0.9 million) including amounts charged in respect of pension scheme of $Nil (2019: $Nil). Directors' remuneration disclosed for 2020 does not include social security contributions relating to that year.

10 Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2020 $m	2019 $m
Fees payable to the Group auditors and associates for the audit of the consolidated and standalone financial statements	**4.6**	3.7
Fees payable to the Group auditors and associates for other services (tax)	**0.4**	0.6
Other services	**–**	1.4
	5.0	5.7

The audit and non-audit fees relate to Ernst and Young LLP and its associate firms.

11 Gain/(loss) on disposal of assets, net

Gain/(loss) on disposal of assets, net, comprised the following:

	2020 $m	2019 $m
(Loss)/gain on sale of assets	**(2.2)**	7.6
Gain on sale of investments	**31.3**	1.5
	29.1	9.1

During 2020, the Group recorded a net profit of $16.8 million for the sale of Sugat Industries Ltd, a net profit of $6.2 million for the sale of ED&F Man Shipping Ltd and net profit of $8.3 million for the sale of various Sugar investments.

12 Finance expense and income

Finance expenses

Finance expenses are recognised in the income statement as they accrue, using the effective interest method.

For leases, lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income

Finance income is recognised in the income statement as it accrues, using the effective interest method.

Interest cost

Interest expense calculated using the effective interest rate (EIR) method as described in IFRS 9 Financial Instruments. The EIR is calculated considering all transaction costs relating to the issue of debt. Transaction costs accounted for on an amortised cost basis are those incremental costs that are directly attributable to the issue of debt. An incremental cost is one that would not have been incurred had the debt not been issued.

	2020 $m	2019 $m
Finance expense		
Interest on loans	**114.0**	113.1
Amortisation of debt issuance costs	**21.2**	11.7
Commitment and other fees	**7.0**	5.1
Interest on obligations under leases	**3.7**	–
Total interest expense	**145.9**	129.9
Finance income	**5.8**	57.1

The reduction in the finance income is predominantly related to the restructuring of a loan to the Mexican joint venture resulting in lower interest income. The refinancing concluded in September 2020 resulted in one-time issuance costs of $28.8 million included within interest on loans which were expensed during the year ended 30 September 2020.

13 Personnel costs and employee benefits

Retirement 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 2020 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.

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

Periodic employee benefits

	2020 $m	2019 $m
Wages and salaries	**254.8**	255.2
Social security costs	**21.5**	21.7
Other pension costs	**11.7**	12.5
	288.0	289.4

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

	2020 Number	2019 Number
Trading and administration	**2,156**	2,302
Industrial and seasonal	**3,803**	3,818
	5,959	6,120

Included in cost of goods sold are personnel costs of $91.1 million (2019: $95.9 million). Other personnel costs are included in selling and administrative expenses.

Notes to the consolidated financial statements continued…

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13 Personnel costs and employee benefits continued

Retirement benefits

Below table summarises the main assumptions used in the valuation of the defined benefit schemes.

	2020 %	2019 %
Main assumptions		
Rate of salary increases	**0.5–3.0**	0.5–2.0
Discount rate	**0.3–1.3**	0.0–0.9
Inflation	**0.5–2.0**	0.5–2.0

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

	2020 $m	2019 $m
Current service cost	**(0.6)**	(1.3)
Net interest expense	**–**	(0.3)
Components of defined benefit costs recognised in the profit or loss	**(0.6)**	(1.6)

The amounts recognised in the consolidated statement of comprehensive income for the year to 30 September are as follows:

	2020 $m	2019 $m
The return on plan assets (excluding amounts included in net interest expense)	**(0.8)**	2.2
Actuarial losses arising from changes in demographic assumptions	**0.6**	–
Actuarial losses arising from changes in financial assumptions	**2.7**	(5.0)
Actuarial losses arising from experience adjustments	**0.5**	0.6
Re-measurement of the net defined benefit liability	**3.0**	(2.2)

The amounts included in the balance sheet at 30 September are:

	2020 $m	2019 $m
Present value of defined benefit obligations	**(32.7)**	(35.8)
Fair value of scheme assets	**22.3**	22.7
Net liability arising from defined benefit obligations	**(10.4)**	(13.1)

The plan assets are detailed as follows:

	2020 $m	2019 $m
Cash and cash equivalents	**0.5**	0.5
Equity instruments	**4.8**	3.7
Debt instruments	**6.4**	7.4
Real estate	**3.6**	4.3
Other	**7.0**	6.8
Total plan assets	**22.3**	22.7

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 gain of $3.0 million (2019: loss of $2.2 million). The cumulative amount of actuarial losses recognised in the consolidated statement of comprehensive income to 30 September 2020 is $3.5 million (2019: $6.5 million).

13 Personnel costs and employee benefits continued

The total contributions to the defined benefit plans in the next year are expected to be $1.0 million (2019: $1.2 million):

	2020 $m	2019 $m
Contributions by employer	**0.6**	0.8
Contributions by plan participants	**0.4**	0.4
Total contributions	**1.0**	1.2

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.

14 Income tax

Income tax represents the sum of current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax for the current and prior periods is recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. The benefit of a tax loss which can be carried back to recover current tax of a prior period is recognised as an asset.

Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) taxation authorities, using the rates/laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The tax on profits is summarised below:

	2020 $m	2019 $m
Current tax		
Current year	**27.8**	31.1
Adjustments in respect of prior years	**3.9**	6.4
	31.7	37.5
Deferred tax		
Current year	**(2.2)**	(2.6)
Adjustments in respect of changes in tax rate	**(2.6)**	0.7
Adjustments in respect of prior years	**5.2**	5.6
	0.4	3.7
Tax charge on profits	**32.1**	41.2

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

14 Income tax continued

	2020 $m	2019 $m
Loss before taxation	**(186.6)**	(198.0)
Less: Share of loss of entities accounted for using the equity method	**(4.3)**	27.0
Parent company and subsidiaries loss before taxation	**(190.9)**	(171.0)
Taxation (credit)/charge calculated at the standard UK tax rate of 19% (2019: 19%)	**(36.3)**	(32.5)
Effects of:		
(Income not taxable)/expenses not deductible for tax purposes	**(5.5)**	(11.0)
Adjustment for different tax rates	**5.4**	6.2
Effect of changes in tax rate	**(2.6)**	0.7
Adjustments in relation to prior years and other taxes	**9.1**	12.0
Withholding taxes not recoverable through double tax relief	**4.9**	1.4
Disposal of subsidiaries	**(7.0)**	(0.7)
Recycling of translation reserve	**14.0**	–
Impairment of investments	**14.5**	32.3
Impairment of fixed assets	**1.1**	0.9
Utilisation of tax losses brought forward	**(2.9)**	(4.5)
Current year tax losses not recognised	**36.1**	26.7
Movement in unrecognised deferred tax	**1.3**	9.7
Total tax	**32.1**	41.2

	2020 $m	2019 $m
Continuing businesses	**35.1**	46.3
Discontinued business	**(3.0)**	(5.1)
Tax charge on profits	**32.1**	41.2

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	
	2020 $m	2019 $m	2020 $m	2019 $m
Depreciation	**4.3**	(2.8)	**(35.2)**	(39.5)
Loss carry forward	**(3.7)**	4.2	**67.8**	71.5
Fair value gains and losses	**0.8**	(0.1)	**(5.3)**	(7.4)
Share-based payments	**(1.0)**	(7.9)	**4.8**	5.8
Other temporary differences	**(0.8)**	2.9	**10.5**	11.8
Net deferred tax credit	**(0.4)**	(3.7)		
Net deferred tax asset			**42.6**	42.2
Of which				
– deferred tax liabilities			**(24.4)**	(21.1)
– deferred tax assets			**67.0**	63.0
– deferred tax relating to disposal groups held-for-sale			**–**	0.3
			42.6	42.2
At 1 October			**42.2**	38.2
Reclassification from current tax			**–**	5.9
Tax credit			**(0.4)**	(3.7)
Disposal of subsidiary			**(0.2)**	–
Transfer from other comprehensive income			**1.0**	1.8
At 30 September			**42.6**	42.2

14 Income tax expense continued

The value of deferred tax assets recognised in excess of deferred tax liabilities in companies which have suffered losses in the current or preceding period is $59.0 million (2019: $57.0 million).

The total tax effect relating to the disposal of non-current assets and provision against investments in the profit or loss is $Nil (2019: $Nil) and the tax effect in the other comprehensive income is $Nil (2019: $Nil).

Deferred tax has not been recognised in respect of certain tax losses of $509.0 million (2019: $403.0 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 2020 the undistributed reserves for which deferred tax liabilities have not been recognised were $157.0 million (2019: $334.0 million) in respect of subsidiaries, joint ventures and associates as it is unlikely that such undistributed profits will be distributed in the foreseeable future.

15 Intangible assets and goodwill

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.

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 (CGU) 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 CGU retained.

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.

Other intangibles

Other intangibles include software, water rights, trademarks, patents and brands. 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

Amortisation of intangible assets is included in selling and administrative expenses in profit or loss statement.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

15 Intangible assets and goodwill continued

	Goodwill $m	Software $m	Other intangibles $m	Total $m
Cost				
At 1 October 2018	44.2	41.6	31.7	117.5
Additions	–	4.5	–	4.5
Disposals and retirements	–	(8.9)	(0.1)	(9.0)
Transfer to held for sale	–	(1.7)	–	(1.7)
Other transfer	–	(1.7)	–	(1.7)
At 30 September 2019	44.2	33.8	31.6	109.6
Additions	–	4.4	0.3	4.7
Disposals and retirements	–	(3.1)	(0.2)	(3.3)
Other transfer	0.4	(1.6)	–	(1.2)
At 30 September 2020	**44.6**	**33.5**	**31.7**	**109.8**
Accumulated amortisation				
At 1 October 2018	–	(21.9)	(3.1)	(25.0)
Amortisation charge	–	(4.9)	(1.9)	(6.8)
Disposals	–	9.0	–	9.0
Transfer, assets held for sale (Note 8)	–	1.2	–	1.2
Exchange rate differences	–	(0.1)	–	(0.1)
At 30 September 2019	–	(16.7)	(5.0)	(21.7)
Amortisation charge	–	(3.5)	(1.8)	(5.3)
Disposals	–	3.0	–	3.0
At 30 September 2020	**–**	**(17.2)**	**(6.8)**	**(24.0)**
Accumulated impairment losses				
At 1 October 2018	(5.7)	–	–	(5.7)
Charge for the year	(10.9)	–	–	(10.9)
At 30 September 2019	(16.6)	–	–	(16.6)
Charge for the year	(4.9)	–	–	(4.9)
At 30 September 2020	**(21.5)**	**–**	**–**	**(21.5)**
Carrying amount				
At 30 September 2019	27.6	17.1	26.6	71.3
At 30 September 2020	**23.1**	**16.3**	**24.9**	**64.3**

Goodwill of $4.6 million (2019: $9.3 million) has been written-off in the year relating to a closure of commodity trading operations in Special Crops.

Goodwill of $0.3 million (2019: $1.6 million) relating to non-core commodity processing business has been written-off in the year relating to sale of Shipping division.

The carrying amount of goodwill has been allocated to the following groups of CGUs:

	2020 $m	2019 $m
Marketing of commodities	**11.8**	16.4
Processing of commodities	**8.3**	8.2
Financial services	**3.0**	3.0
	23.1	27.6

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 CGUs and generally vary between 9% and 11% per annum.

16 Property, plant and equipment

Accounting policy

Property, plant and equipment is 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 useful economic 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.

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.

	Land and buildings		Plant and machinery	Construction in progress	Total
	Freehold $m	Leasehold $m	$m	$m	$m
Cost					
At 1 October 2018	277.7	23.1	410.1	26.4	737.3
Additions	3.5	1.7	27.4	13.4	46.0
Disposals	(8.9)	(0.7)	(10.0)	–	(19.6)
Transfers	2.9	–	22.7	(25.2)	0.4
Transfers to held for sale (Note 8)	(14.0)	(5.9)	(63.6)	–	(83.5)
Currency translation differences	1.1	0.8	2.5	(0.1)	4.3
At 30 September 2019	262.3	19.0	389.1	14.5	684.9
At 1 October 2019	262.3	19.0	389.1	14.5	684.9
Additions	3.0	1.4	23.8	16.6	44.8
Disposals	(26.4)	(0.3)	(37.3)	(0.5)	(64.5)
Transfers	3.5	–	10.3	(15.6)	(1.8)
Currency translation differences	(0.3)	(2.8)	(0.2)	(0.2)	(3.5)
At 30 September 2020	**242.1**	**17.3**	**385.7**	**14.8**	**659.9**

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

16 Property, plant and equipment continued

	Land and buildings				
	Freehold $m	Leasehold $m	Plant and machinery $m	Construction in progress $m	Total $m
Depreciation and impairment losses					
At 1 October 2018	(42.5)	(3.4)	(172.5)	–	(218.4)
Depreciation charge	(7.4)	(2.1)	(32.6)	–	(42.1)
Impairment charge	(6.2)	–	(3.6)	–	(9.8)
Disposals	1.6	0.2	8.8	–	10.6
Transfer to assets held for sale (Note 8)	9.6	2.7	40.3	–	52.6
Exchange differences	(0.6)	(0.1)	(1.6)	–	(2.3)
At 30 September 2019	(45.5)	(2.7)	(161.2)	–	(209.4)
At 1 October 2019	(45.5)	(2.7)	(161.2)	–	(209.4)
Depreciation charge	(7.1)	(1.9)	(32.0)	–	(41.0)
Impairment charge	(16.5)	–	(5.6)	–	(22.1)
Disposals	14.9	0.1	32.6	–	47.6
Exchange differences	0.2	0.6	(2.2)	–	(1.4)
At 30 September 2020	**(54.0)**	**(3.9)**	**(168.4)**	**–**	**(226.3)**

	Land and buildings				
	Freehold $m	Leasehold $m	Plant and machinery $m	Construction in progress $m	Total $m
Net book value:					
At 30 September 2019	216.8	16.3	227.9	14.5	475.5
At 30 September 2020	**188.1**	**13.4**	**217.3**	**14.8**	**433.6**

Due to partial disposal of land and closure of a plant during the year, Iansa performed an impairment assessment of the remaining assets of its closed plants. As a result, Iansa recognised an impairment of $22.1 million in the profit or loss statement to reduce the carrying values of the affected assets to their recoverable values. The fair values less costs of disposal for the land were assessed based on a market approach using third-party valuations.

17 Right-of-use assets

The Group adopted IFRS 16 from 1 October 2019 (see Note 3). Accordingly, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The assets are depreciated over the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Right-of-use assets are reviewed for indicators of impairment.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is 'reasonably certain' to exercise any extension options. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment (see Note 16).

The Group has elected to use the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets under $5,000. The payments associated with these leases are recognised as cost of services and general and administrative costs on a straight-line basis over the lease term.

There were no leases with residual value guarantees or leases not yet commenced to which the Group is committed at 30 September 2020.

17 Right-of-use assets continued

	Leased land and buildings $m	Leased office equipment $m	Leased plant and machinery $m	Total $m
Cost				
At 1 October 2019				
Impact of the adoption IFRS 16	85.6	0.1	64.7	150.4
Additions	3.3	–	0.8	4.1
Lease terminations	(1.2)	–	–	(1.2)
Currency translation differences	–	–	0.5	0.5
As at 30 September 2020	**87.7**	**0.1**	**66.0**	**153.8**
At 1 October 2019				
Amortisation charge	(16.5)	(0.1)	(13.8)	(30.4)
Lease terminations	0.6	–	–	0.6
Currency translation differences	–	–	(0.1)	(0.1)
As at 30 September 2020	**(15.9)**	**(0.1)**	**(13.9)**	**(29.9)**
Net book value as at 30 September 2020	**71.8**	**–**	**52.1**	**123.9**

18 Cash and cash equivalents and restricted cash

Cash and cash equivalents comprise cash in hand and demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash.

	2020 $m	2019 $m
Cash at bank and in hand	**523.6**	357.2
Cash and cash equivalents	**17.1**	11.4
Segregated cash	**976.0**	393.7
Cash and cash equivalents	**1,516.7**	762.2
Restricted cash	**8.3**	–

Cash and cash equivalents comprise cash at bank, cash in hand and segregated cash. Segregated cash of $976.0 million is the customer assets and investment held by Brokerage business on behalf of customers. The restricted cash of $8.3 million is the cash deposit for the letter of credit and guarantees.

19 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.

	$m
Cost	
At 1 October 2019	0.5
Disposals	(0.1)
At 30 September 2020	**0.4**
Accumulated depreciation	
At 1 October 2019	–
Disposals	–
Charge for the year	–
At 30 September 2020	**–**
Carrying amount	
At 30 September 2019	0.5
At 30 September 2020	**0.4**

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

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20 Investments in associates and joint ventures

Joint ventures and associates

A joint venture is an arrangement in which the Group holds an interest in the net assets of the arrangement 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 associate 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.

Investments held at FVOCI 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 in accordance with IFRS 13.

At initial recognition, IFRS 9 permits an entity to make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of particular investments in equity instruments. Accordingly, amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss in accordance with IFRS 9.

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 2019	28.0	36.7	64.7
Additions	–	0.3	0.3
Disposals	(0.5)	(25.8)	(26.3)
Share of retained earnings	0.4	5.1	5.5
Amounts provided in period	(2.1)	7.9	5.8
Dividends	–	(3.8)	(3.8)
Share of other reserves	(8.4)	(5.4)	(13.8)
Currency translation differences	(1.2)	0.1	(1.1)
At 30 September 2020	**16.2**	**15.1**	**31.3**

The Group's material joint ventures and associates 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. (AGS)	Holding Company for Sugar Producer	Mexico	31 December	49.00%
Agrovia S.A. (Agrovia)	Sugar Logistics	Brazil	31 December	31.53%

The Group has performed an impairment assessment in respect of the carrying value of its investment, loans and receivables due from AGS. AGS was once again loss-making in the year and initiated a process to sell its sugar mills prior to October 2019. This process was expected to be concluded during the 2020 financial year but was curtailed in March as a result of the impact of the Covid pandemic. Agreement was eventually reached to sell one of the mills in the north east, Mante, and close the other mill, Xico, just prior to 30 September 2020.

Given that the sale process has stalled at the moment for Tamazula mill, the actual sales proceeds, which are a key driver of the expected credit loss estimate, are not yet determined and therefore the assessment carries a high degree of judgement. The key areas of judgement and estimates are discussed in Note 4. As a result of the assessment, the Group has recorded an increase in the expected credit loss provision of a further $76.1 million (2019: $169.9 million) against the carrying value of the Group's receivables related to AGS.

20 Investments in associates and joint ventures continued

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

	2020			2019		
	AGS $m	**Agrovia $m**	**Total $m**	AGS $m	Agrovia $m	Total $m
Non-current assets	**64.5**	**63.0**	**127.5**	155.6	45.9	201.5
Current assets	**179.9**	**14.6**	**194.5**	327.0	20.5	347.5
Total assets	**244.4**	**77.6**	**322.0**	482.6	66.4	549.0
Non-current liabilities	**(34.9)**	**(19.3)**	**(54.2)**	(51.1)	(0.7)	(51.8)
Current liabilities	**(529.9)**	**(5.8)**	**(535.7)**	(547.9)	(7.5)	(555.4)
Total liabilities	**(564.8)**	**(25.1)**	**(589.9)**	(599.0)	(8.2)	(607.2)
Total equity	**(320.4)**	**52.5**	**(267.9)**	(116.4)	58.2	(58.2)
Group's share of equity	**(157.0)**	**16.6**	**(140.4)**	(57.0)	18.4	(38.6)
Carrying amount	**–**	**12.9**	**12.9**	–	18.4	18.4

	2020			2019		
	AGS $m	**Agrovia $m**	**Total $m**	AGS $m	Agrovia $m	Total $m
Revenue	**234.1**	**–**	**234.1**	328.7	–	328.7
Loss for the year	**(220.2)**	**(2.1)**	**(222.3)**	(57.1)	(2.6)	(59.7)
Other comprehensive loss	**(13.2)**	**–**	**(13.2)**	(3.2)	–	(3.2)
Total comprehensive loss	**(233.4)**	**(2.1)**	**(235.5)**	(60.3)	(2.6)	(62.9)
Group's share of loss	**–**	**(0.7)**	**(0.7)**	(29.5)	(0.8)	(30.3)

Assets and liabilities include the following:

	2020			2019		
	AGS $m	**Agrovia $m**	**Total $m**	AGS $m	Agrovia $m	Total $m
Cash and cash equivalents	**23.6**	**9.0**	**32.6**	4.6	14.9	19.5
Current financial liabilities[1]	**(461.4)**	**–**	**(461.4)**	(427.6)	–	(427.6)
Non-current financial liabilities[1]	**(0.3)**	**–**	**(0.3)**	(0.9)	–	(0.9)

1 Financial liability excluding trade, other payables and provisions.

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

	2020			2019		
	AGS $m	**Agrovia $m**	**Total $m**	AGS $m	Agrovia $m	Total $m
Depreciation and amortisation	**(6.8)**	**(0.3)**	**(7.1)**	(8.5)	(0.8)	(9.3)
Net interest charge	**–**	**–**	**–**	(26.2)	–	(26.2)
Income tax credit	**–**	**0.6**	**0.6**	–	0.1	0.1

Immaterial joint ventures

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

	2020 $m	2019 $m
Group's share of		
Profit/(loss) after tax	**2.1**	(4.3)
Total comprehensive income/(loss)	**2.1**	(4.3)
Carrying amount of interests in immaterial joint ventures	**3.4**	9.6

Dividends from joint ventures of $Nil (2019: $2.3 million) have been received during the year.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

20 Investments in associates and joint ventures continued

Material Associates

During September 2020 the Group disposed of the associate Kilombero (KSC). The gain on sale was $4.5 million. Summarised financial information in respect of the Group's material associates accounted for using the equity method, reflecting 100% of the associate relevant figures is set out below:

Dividends from associates of $3.8 million (2019: $1.0 million) have been received during the year.

	2020 KSC $m	2019 KSC $m
Non-current assets	–	49.9
Current assets	–	50.0
Total assets	–	99.9
Non-current liabilities	–	(11.5)
Current liabilities	–	(18.5)
Total liabilities	–	(30.0)
Total equity	–	69.9
Group's share of equity	–	14.0
Carrying amount	–	14.0

	2020 KSC $m	2019 KSC $m
Revenue	**119.1**	120.3
Profit for the year	**14.0**	18.9
Other comprehensive income	**0.1**	0.1
Total comprehensive profit	**14.1**	19.0
Group's share of profit	**2.8**	3.8

Assets and liabilities include the following:

	2020 KSC $m	2019 KSC $m
Cash and cash equivalents	–	14.5
Current financial liabilities	–	(17.9)

21 Available for sale investments

	Unlisted $m	Listed $m	Total $m
Cost			
At 1 October 2019	31.7	13.8	45.5
Revaluation	(0.7)	(0.9)	(1.6)
Currency translation	0.8	–	0.8
At 30 September 2020	**31.8**	**12.9**	**44.7**
Amounts provided			
At 1 October 2019	(26.1)	–	(26.1)
Currency translation	(0.8)	–	(0.8)
At 30 September 2020	**(26.9)**	**–**	**(26.9)**
Carrying amount			
At 30 September 2019	5.6	13.8	19.4
At 30 September 2020	**4.9**	**12.9**	**17.8**

Both listed and unlisted equity investments are fair valued (see Note 4 for more information).

22 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 of disposal at the balance sheet date on a basis consistent with derivative financial instruments under IFRS 9, with changes in fair value reflected within cost of sales in the profit or loss.

	2020 $m	2019 $m
Inventories held for trading	**588.6**	632.3
Held for own use	**193.3**	177.0
	781.9	809.3

Inventories written down to net realisable value in the year resulted in a charge of $1.6 million (2019: $1.3 million). This is recognised in cost of sales. Included in inventories held for trading is $446 million (2019: $465 million) 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 $50.8 million (2019: $38.7 million) of inventory sold to a third party with an option to repurchase. The consideration received has been accounted for within financial liabilities.

23 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.

	2020 $m	2019 $m
Biological assets	**6.6**	6.5

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 of disposal at the reporting date.

24 Trade receivables

	2020 $m	2019 $m
Current receivables		
Trade receivables	**2,841.0**	3,356.6
Amounts owed by joint ventures and associates	**222.6**	310.8
Other receivables	**157.4**	100.8
Tax receivables	**69.3**	61.3
Margins with exchanges	**1,851.6**	1,848.7
Prepayments	**101.6**	154.7
	5,243.5	5,832.9
Non-current receivables		
Trade receivables	**2.4**	3.6
Other receivables	**6.5**	7.4
Amounts owed by joint ventures and associates	**0.4**	0.4
	9.3	11.4

Note 28 includes details of collateral and credit enhancements held by the Group.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

25 Trade and other payables

	2020 $m	2019 $m
Current payables		
Trade payables	**5,187.0**	4,879.0
Amounts owed to joint ventures and associates	**0.3**	2.8
Taxation and social security costs	**26.0**	12.8
Margins with exchanges	**98.0**	202.3
Accruals and deferred income	**263.3**	332.5
Other payables	**182.7**	159.8
	5,757.3	5,589.2
Non-current payables		
Trade and other payables	**13.8**	24.5

26 Loan and overdrafts

Initial recognition

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

All interest-bearing loans and borrowings are initially recognised at fair value net of directly attributable transaction costs.

Extinguishment and modification

Borrowing is removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment of the original debt, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. Where the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted against the carrying amount of the liability and are amortised over the remaining term of the modified debt.

The Group has early adopted the Annual Improvements to IFRS Standards 2018–2020 which amended IFRS 9 paragraph B3.3.6. Accordingly, the Group includes fees directly paid to lenders in assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Subsequent measurement

After initial recognition, interest bearing loans are measured at amortised cost using the effective interest method (EIR). The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the amortised cost of the liability. In calculating interest expense, the EIR is applied to the amortised cost of the borrowing. This EIR amortisation is included as finance costs or income in the profit or loss.

During September 2020, the Group refinanced its core debt of unsecured revolving credit facilities with a secured facilities, including a term loan and a revolving credit facility with longer maturities and a smaller one year revolving credit facility. The Group also refinanced its US private placement notes as part of this process. The amounts and maturities for these and all other borrowings are summarised below and in Note 28.

26 Loan and overdrafts continued

	2020 $m	2019 $m
Amounts due for settlement:		
– in one year or less (current)	**494.5**	1,486.5
– in more than one year but less than five years (non-current)	**1,624.2**	523.7
– in more than five years (non-current)	**–**	35.0
	2,118.7	2,045.2

The above loans and overdrafts are net of debt issuance costs of $50.5 million.

27 Lease liabilities

From 1 October 2019, the Group has adopted IFRS 16 Leases. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate for the same term as the underlying lease. Lease payments included in the measurement of lease liabilities comprise fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate as at the commencement date. Lease modifications result in remeasurement of the lease liability on the date those modifications are effective.

	2020 $m
Opening lease liabilities	
On transition to IFRS 16	**158.8**
Additions	**4.1**
Lease terminations	**(1.2)**
Interest expense relating to lease liabilities	**3.7**
Payments	**(31.6)**
Exchange difference	**3.2**
	137.0
Current	**30.1**
Non-current	**106.9**
	137.0

The maturity analysis of undiscounted lease liabilities is as follows:

	2020 $m
Within one year	**31.0**
Between one and five years	**70.1**
After five years	**42.4**
	143.5

The following amounts were recognised in profit or loss:

	2020 $m
Expense relating to short-term leases	**2.7**
Expense relating to low-value assets	**–**
	2.7

The explanation of the difference between operating lease commitments disclosed as at 30 September 2019 when applying IAS 17 to the lease liabilities recognised as at 1 October 2019 is presented in the table below:

	2020 $m
Operating lease commitments as at 30 September 2019 under IAS 17	**163.6**
Excluded short-term leases	**(1.3)**
The effect of discounting using the incremental borrowing rate	**(17.3)**
Leases previously not included	**14.6**
Exclude vehicle leases	**(0.8)**
Lease obligation as at 1 October 2019	**158.8**

Notes to the consolidated financial statements continued…

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28 Financial instruments and financial risk management

Financial Assets

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) depending upon the business model for managing the financial assets and the nature of the contractual flow characteristics of the financial asset.

Financial assets are initially recognised at fair value, including directly attributable costs. Subsequently financial assets are carried at fair value (assets held for trading, available for sale investments, 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 and fair value through profit and loss.

Derivative Financial Instruments

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.

IFRS 9 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. IFRS 9 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 were entered into and continue to be held for the purpose of own use, which considers the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements and are outside of the scope of IFRS 9.

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.

Impairment of financial assets

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, 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 Group 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 Group 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 Group 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 Group 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 Group without taking into account any collateral held by the Group or if the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group 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.

Available for Sale

Available-for-sale financial assets (mainly equity instruments of other entities) are fair valued in compliance with IFRS 13. Fair value gains and losses on available for sale financial assets are irrevocably designated at inception to be carried through profit or loss or other comprehensive income. This election is made on an instrument-by-instrument basis. Upon de-recognition, the cumulative gain or loss elected to be carried through other comprehensive income is transferred within equity.

28 Financial instruments and financial risk management continued

IFRS 13 sets out a fair value hierarchy which consists of three levels that describe the methodology of estimation. 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 – using quoted prices in active markets for identical assets or liabilities, such as exchange traded commodity derivatives, liquid corporate and government bonds, listed and unlisted 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, unlisted equities, fixed income securities with valuation models based on observable market inputs.

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.

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) 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 amortised cost. 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.

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for the year ended 30 September 2020

28 Financial instruments and financial risk management continued

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:

30 September 2020	At fair value through profit or loss $m	At fair value through OCI $m	Amortised cost $m
Financial assets:			
Trade and other receivables	–	–	5,082.2
Available for sale investments	12.9	4.9	–
Cash and cash equivalents	–	–	1,516.7
	12.9	4.9	6,598.9
Other financial assets:			
Securities purchased under agreements to resell	–	–	14,803.1
Derivative financial instruments	201.0	–	–
Marketable securities	209.7	–	–
	410.7		14,803.1
Total financial assets	423.6	4.9	21,402.0
Financial liabilities:			
Trade and other payables	–	–	(5,745.9)
Lease liabilities	–	–	(137.0)
Loans and overdrafts	–	–	(2,118.7)
	–	–	(8,001.6)
Other financial liabilities:			
Derivative financial instruments	(124.4)	–	–
Securities sold under agreements to repurchase	–	–	(14,890.5)
Other financial instruments	(102.3)	–	–
	(226.7)	–	(14,890.5)
Total financial liabilities	(226.7)	–	(22,892.1)
At 30 September 2020	(196.9)	4.9	(1,490.1)

28 Financial instruments and financial risk management continued

30 September 2019	At fair value through profit or loss $m	At fair value through OCI $m	Amortised cost $m
Financial assets:			
Trade and other receivables	–	–	5,628.3
Available for sale investments	13.9	5.5	–
Cash and cash equivalents	–	–	762.3
	13.9	5.5	6,390.6
Other financial assets:			
Securities purchased under agreements to resell	–	–	16,163.6
Derivative financial instruments	161.9	–	–
Marketable securities	979.6	–	–
	1,141.5	–	16,163.6
Total financial assets	1,155.4	5.5	22,554.2
Financial liabilities:			
Trade and other payables	–	–	(5,600.5)
Loans and overdrafts	–	–	(2,045.2)
	–	–	(7,645.7)
Other financial liabilities:			
Derivative financial instruments	(153.4)	–	–
Securities sold under agreements to repurchase	–	–	(16,983.1)
Other financial instruments	(122.1)	–	–
	(275.5)	–	(16,983.1)
Total financial liabilities	(275.5)	–	(24,628.8)
At 30 September 2019	879.9	5.5	(2,074.6)

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 2020 marketable securities with a fair value of $21.0 million (2019: $705.1 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.

Notes to the consolidated financial statements continued…

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28 Financial instruments and financial risk management continued

The following table shows the fair value of derivative assets, marketable securities, derivative liabilities held for trading and available for sale investments analysed by maturity period and by methodology of fair value estimation. IFRS 13 sets out a fair value hierarchy which consists of three levels that describe the methodology of estimation as follows:

	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	**158.0**	**4.0**	**–**	**–**	**–**	**–**	**162.0**
Level 2	**245.6**	**14.7**	**0.7**	**0.4**	**0.2**	**4.9**	**266.5**
	403.6	**18.7**	**0.7**	**0.4**	**0.2**	**4.9**	**428.5**
Financial liabilities							
Level 1	**(45.4)**	**–**	**–**	**–**	**–**	**–**	**(45.4)**
Level 2	**(173.1)**	**(6.8)**	**(1.1)**	**(0.4)**	**–**	**–**	**(181.4)**
	(218.5)	**(6.8)**	**(1.1)**	**(0.4)**	**–**	**–**	**(226.8)**
Net fair value 30 September 2020	**185.1**	**11.9**	**(0.4)**	**–**	**0.2**	**4.9**	**201.7**

	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	882.2	2.7	–	–	–	–	884.9
Level 2	264.7	10.6	0.6	0.1	–	–	276.0
	1,146.9	13.3	0.6	0.1	–	–	1,160.9
Financial liabilities							
Level 1	(34.7)	(0.2)	–	–	–	–	(34.9)
Level 2	(231.5)	(9.1)	–	–	–	–	(240.6)
	(266.2)	(9.3)	–	–	–	–	(275.5)
Net fair value							
30 September 2019	880.7	4.0	0.6	0.1	–	–	885.4

Day-one profit or loss

The fair value of contracts not recognised through the profit or loss at 30 September 2020 was $Nil (2019: $Nil).

Offsetting of financial assets and liabilities

The following table sets out the gross amounts of recognised financial instruments that are subject to netting agreements:

	2020 $m			2019 $m		
	Gross amount of financial assets	**Gross amount of financial liabilities**	**Net amount in balance sheet**	Gross amount of financial assets	Gross amount of financial liabilities	Net amount in balance sheet
Derivative assets	**217.2**	**(16.2)**	**201.0**	211.6	(49.7)	161.9
Derivative liabilities	**21.8**	**(146.2)**	**(124.4)**	184.2	(337.6)	(153.4)

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 risk 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.

28 Financial instruments and financial risk management continued

Capital management

The Group's objective in managing its capital is to preserve its overall financial health and enhance shareholder value, 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:

	2020 $m	2019 $m
Total net assets attributable to non-controlling interest and equity shareholders	**358.5**	537.6
Less: Non-controlling interest	**(44.3)**	(46.6)
Shareholders' funds attributable to equity shareholders of ED&F Man Holdings Limited	**314.2**	491.0

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 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.

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 $9.1 million at 30 September 2020 (2019: $8.3 million).

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.

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 $2,169.2 million (2019: $2,045.2 million) are predominantly denominated in USD, Sterling and Euros excluding debt issuance costs of $50.5 million. 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 $10.7 million (2019: $8.4 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 $141.0 million (2019: $77.2 million) include $5.8 million of interest income (2019: $57.3 million) and $4.4 million of lease interest.

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.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

28 Financial instruments and financial risk management continued

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, 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.

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 from operating activities totalled $124.4 million (2019: $153.4 million) and are shown in liabilities on the balance sheet.

	2020 $m	2019 $m
Maximum credit exposure		
Trade and other receivables	**3,007.3**	3,468.5
Amounts owed by joint ventures and associates	**222.9**	311.2
Securities purchased under agreements to resell	**14,803.1**	16,163.6
Margins with exchanges	**1,851.6**	1,848.7
Derivative financial instruments	**201.0**	161.9
Marketable securities	**209.7**	979.6
Cash and cash equivalents	**1,516.7**	762.3
	21,812.3	23,695.8

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 deposits, letters of credit, pledged inventories or parent company guarantees to reduce or offset credit risk. As at 30 September 2020, $19.1 million of the trade receivables have collateral pledged (2019: $89.4 million). The fair value of such collateral and credit enhancements, including deposits, pledged inventories, parent company guarantees, and letters of credit was $19.1 million (2019: $144.7 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 (2019: $Nil). 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 2020 the receivables in respect of such transactions were $14,803.1 million (2019: $16,163.6 million). As at 30 September 2020 the securities held as collateral net of obligation to clients had a market value of $17,207.9 million (2019: $18,609.2 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 2020, marketable securities of $209.7 million (2019: $979.6 million) comprised principally US Treasury Securities and US Government Sponsored Agency Securities.

28 Financial instruments and financial risk management continued

The analysis of trade receivables, net of allowance for credit losses, is as follows:

	2020 $m	2019 $m
Trade receivables		
Neither impaired nor past due	**2,749.6**	3,259.0
Not impaired and past due in the following periods:		
Within 30 days	**70.3**	79.6
31 to 60 days	**16.9**	14.0
61 to 90 days	**6.6**	7.6
	2,843.4	3,360.2

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

	2020 $m			2019 $m		
	Trade receivables	**Amounts owed by joint venture and associates**	**Other**	Trade receivables	Amounts owed by joint venture and associates	Other
Allowance for expected credit losses						
Balance brought forward	**56.0**	**148.2**	**8.8**	71.4	–	3.7
Charge for the year	**22.1**	**76.1**	**5.7**	5.9	148.2	5.1
Utilisation	**(1.7)**	**–**	**–**	(14.8)	–	–
Reversal	**(1.6)**	**–**	**–**	(6.5)	–	–
Balance carried forward	**74.8**	**224.3**	**14.5**	56.0	148.2	8.8

Other relates to pre-finance and shareholders' loans provision.

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, working with business CFOs and trade finance teams centrally coordinate relationships with banks, borrowing requirements, foreign exchange requirements, cash flow reporting and management. Other responsibilities include management of the Group's resources and structure of central 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 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 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 secured facilities of $1,472 million (2019: $Nil), which include medium-term multicurrency syndicated facilities with maturities in excess of 12 months of $1,309 million (2019: $Nil) and a 364-day committed secured syndicated facility (maturity of less than 12 months) of $163 million (2019: $Nil). The Group has no committed unsecured facilities (2019: $1,815 million). Debt drawn under these secured and unsecured facilities at 30 September 2020 was $1,347.0 million (2019: $1,367 million), excluding debt issuance costs of $50.5 million.

The Group also has $184 million of fixed interest notes which expire in 2023. In addition, the Group also has drawn debt on a range of other facilities totalling $604 million (2019: $523 million). During the year, the Group incurred finance expenses of $141.0 million (2019: $133.4 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 26.

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

28 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 one month	**455.7**	**143.8**	**40.8**	**13,416.1**	**102.3**
One to three months	**4,708.6**	**156.1**	**28.0**	**1,185.1**	**–**
Three months to one year	**22.6**	**194.6**	**47.4**	**289.3**	**–**
One to two years	**0.2**	**25.5**	**6.8**	**–**	**–**
Two to five years	**–**	**1,649.2**	**1.4**	**–**	**–**
More than five years	**–**	**–**	**–**	**–**	**–**
At 30 September 2020	**5,187.1**	**2,169.2**	**124.4**	**14,890.5**	**102.3**
Financial liabilities					
Within one month	506.8	79.3	79.2	15,754.2	122.1
One to three months	4,355.9	96.6	20.0	396.7	–
Three months to one year	16.1	1,310.6	44.4	832.2	–
One to two years	0.2	357.6	9.3	–	–
Two to five years	–	166.1	0.5	–	–
More than five years	–	35.0	–	–	–
At 30 September 2019	4,879.0	2,045.2	153.4	16,983.1	122.1

* Excludes debt issuance costs of $50.5 million (2019: $9.3 million).

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 impacted by selling forward on sugar futures exchanges. At 30 September 2020, the fair value of such hedging instruments was a liability of $4.1 million (2019: liabilities of $1.2 million). Related flows are all expected to occur and to affect Group profit or loss within one year of the balance sheet date.

29 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.

	Legal claims $m	Other provisions $m	Total $m
At 1 October 2019	1.8	8.0	9.8
Additional provisions recognised, net	–	0.2	0.2
Utilised	–	(1.1)	(1.1)
Reversal	–	(0.4)	(0.4)
At 30 September 2020	**1.8**	**6.7**	**8.5**

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 an onerous lease for a storage contract and dilapidations.

30 Share capital

Accounting policy

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.

	Allotted, called up and fully paid US$1 each		"A" preference shares of US$1 each	
	Number	$m	Number	$m
At 30 September 2019	122,169,871	122.2	64,505,722	64.5
Shares issued	1,013,979	1.0	–	–
At 30 September 2020	**123,183,850**	**123.2**	**64,505,722**	**64.5**

Each "A" preference share carries one vote and are not redeemable but may be converted into ordinary shares.

31 Share premium account

	$m
At 1 October 2019	182.0
Deferred payment on acquisition of subsidiary: Non-performance related	(1.0)
At 30 September 2020	**181.0**

During the year, contingent consideration was paid to the former shareholders of Maviga plc, who were acquired by the Group in January 2017.

32 Employee trust

The Group operates an employee trust in which all expenses incurred are settled directly by the Group and charged to the profit or loss as incurred. The trust is 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 Trust 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 31,680,182 (2019: 28,202,537) shares in the Company, of which 11,490,264 (2019: 12,667,561) have been conditionally awarded. 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 $126.2 million (2019: $107.7 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 one to five 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%–14%.

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 2020 was $6.1 million (2019: $13.5 million).

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

	Number of shares 2020	Number of shares 2019
Outstanding at 1 October	**12,667,561**	15,058,524
Granted	**2,363,248**	3,661,392
Exercised	**(3,022,257)**	(5,325,859)
Lapsed	**(518,288)**	(726,496)
Outstanding at 30 September	**11,490,264**	12,667,561

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

32 Employee trust continued

Exercisable as follows

	Number of shares 2020	Number of shares 2019
Immediately exercisable	**2,472,280**	2,714,218
October 2016 to September 2017	**1,848,265**	1,883,382
October 2017 to September 2018	**743,876**	781,300
October 2018 to September 2019	**851,285**	1,049,545
October 2019 to September 2020	**565,163**	3,380,422
October 2020 to September 2021	**2,508,405**	1,735,220
October 2021 to September 2022	**1,741,176**	1,098,844
October 2022 to September 2024	**747,498**	12,314
October 2024 to September 2025	**12,316**	12,316
	11,490,264	12,667,561

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 2020 and at 30 September 2019, the Group had no unexercised obligations under this plan.

33 Notes to the cash flow statement

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

	2020 $m	2019 $m
Revenue	**6,906.0**	7,731.1
Cost of sales	**(6,377.0)**	(7,235.2)
Administrative and selling expenses	**(425.0)**	(408.5)
	104.0	87.4
Adjustments for:		
Depreciation of property, plant and equipment	**41.0**	42.1
Amortisation and impairment of intangible assets	**5.3**	17.7
Recycling or translation reserves	**(68.5)**	–
Gain on sale of subsidiaries	**(23.0)**	–
Gain on sale of equity investments	**(8.3)**	–
Loss on sale of property, plant, equipment	**2.2**	–
Expenses arising from share option plans	**6.1**	13.5
Effects of fair value	**(3.1)**	1.0
Movements in provisions	**(1.3)**	(5.1)
Operating cash flows before movements in working capital	**54.4**	156.6
Movement in inventories	**79.8**	(21.9)
Movement in biological assets	**(1.4)**	2.8
Movement in marketable securities	**769.8**	(543.1)
Movement in securities purchased/sold under agreements to resell/repurchase	**(732.1)**	715.6
Movement in receivables	**569.9**	(931.4)
Movement in payables	**166.9**	838.2
Cash generated by operations	**907.3**	216.8
UK corporation tax paid	**–**	–
Overseas taxation paid	**(27.0)**	(44.8)
Net cash inflow from operating activities	**880.3**	172.0

33 Notes to the cash flow statement continued

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

	2020 $m	2019 $m
Increase/(decrease) in cash	**755.4**	(69.6)
(Decrease)/increase in borrowings	**(62.2)**	97.1
Movement in net debt resulting from cash flows	**693.2**	27.5
Effect of change in exchange rates	**(3.2)**	2.0
Movement in net debt	**690.0**	29.5
Opening net debt	**(1,286.2)**	(1,315.7)
Closing net debt	**(596.2)**	(1,286.2)

(c) Group reconciliation of net cash flow on disposal of subsidiary

	2020 $m	2019 $m
Proceeds from disposal of subsidiaries	**29.1**	–
Disposal of subsidiaries	**(6.1)**	–
Net proceeds from disposal of subsidiaries	**23.0**	–

34 Analysis of changes in net debt

	Cash equivalents $m	Loans and Overdrafts		
		Current $m	Non-current $m	Net debt $m
At 1 October 2019	765.3	(1,492.8)	(558.7)	(1,286.2)
Cash flow	755.4	1,003.3	(1,065.5)	693.2
Exchange movements	1.8	(5.0)	–	(3.2)
	1,522.5	**(494.5)**	**(1,624.2)**	**(596.2)**
Cash held in discontinued operations 2019	(3.0)			
Cash held in discontinued operations 2020	(2.8)			
At September 2020	**1,516.7**			

35 Financial commitments

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

	Plant and machinery		Land and buildings	
	2020 $m	2019 $m	2020 $m	2019 $m
Within one year	**8.0**	14.5	**4.7**	20.9
Between one and five years	**8.6**	35.4	**7.6**	52.1
After five years	**5.1**	10.8	**1.7**	29.9
	21.7	60.7	**14.0**	102.9

	2020 $m	2019 $m
Expenditure contracted for but not provided in the financial statements	**0.4**	3.3

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 (2019: $2.3 million).

Notes to the consolidated financial statements continued…

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36 Contingent assets and contingent liabilities

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

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote. When the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Group does not include detailed, case-specific disclosures in its financial statements.

The ultimate outcome of governmental and third-party legal claims and proceedings is inherently difficult to predict. There are various legal proceedings arising in the ordinary course of business and in cases where the Group believes the likelihood of losses is probable and can be estimated, provisions are recorded. While ongoing legal proceedings could have a material adverse effect on the Group's consolidated financial position or results of operations in the future, the Group believes that none of these matters will have a material adverse effect on its business or financial condition. During 2020 and 2019, the Group has been involved in certain civil litigation cases, which are described below.

The credit facilities of the Group as reported in Note 28 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 Brokerage business operates in a regulatory environment. As a result, it is subject to regulatory enquiry, investigations and thematic reviews arising in the ordinary course of business. The Danish tax authority has commenced action against ED&F Man Capital Markets Limited (a wholly owned subsidiary of the Group), among others, in respect of historical tax reclaims made by some of its clients. The potential outcomes range from $Nil to DKK 575 million ($84 million), the latter being the amount of the Danish tax authority's claim. Based on the current state of the case, the Group has been advised by its legal counsel that at this time it is only possible, but not probable, that the action will succeed. Accordingly, the Group has assessed that no provision for any liability should be made in these financial statements.

During 2008 and 2009, a subsidiary of the Group, ED&F MAN España (the 'Spanish Subsidiary') imported raw cane sugar from Brazil, processed that sugar into white sugar at authorised facilities in Spain and exported, as equivalent goods, white beet sugar produced in the EU. These operations were covered by customs authorisation and were reviewed by the Spanish customs authorities and deemed to have been properly executed. The authorities concluded that the IPR was discharged and bank guarantees for the duties were refunded. Subsequently, in 2012, customs authorities argued that the Spanish Subsidiary should have purchased raw beet sugar within the EU and processed that sugar for export, rather than processing the imported raw cane sugar and exporting the white beet sugar that was purchased in the EU. However, there was no raw beet market within the EU and therefore the conditions of the IPR could not have been fulfilled according to the Commission itself. Accordingly, those provisions were amended (Commission Implementing Regulation (EU) no 1063/2013).

During 2019, the Spanish National Court handed down its judgement in the extraordinary procedure initiated by the Spanish customs authorities against the Group relating to import duties and agricultural levies. The Group then appealed to the Supreme Court but was not given the leave to appeal and the Spanish tax authorities have raised a demand of €17.5 million ($20.5 million). The Group has not paid this amount and has appealed against this demand and will continue to defend this claim strongly through a number of alternative legal proceedings it has commenced against the Spanish customs authorities.

The Group's share of contingent liabilities of associates and joint ventures incurred jointly with other ventures or investors was $Nil (2019: $Nil).

37 Related party transactions

Group

During the year the Group entered into transactions, in the ordinary course of business, with related parties. The nature of these transactions being trading activity with related parties but also loans and advances to investments. All transactions between ED&F Man Holdings Limited and its subsidiaries are eliminated on consolidation.

	Sales		Purchases		Amounts owed from		Amounts owed to	
	2020 $m	2019 $m	**2020 $m**	2019 $m	**2020 $m**	2019 $m	**2020 $m**	2019 $m
Agricultural Commodities:								
Associates	**11.5**	27.2	**–**	–	**0.4**	1.2	**–**	–
Joint ventures	**–**	–	**–**	10.6	**222.5**	310.0	**(0.3)**	(2.8)
Equity investor	**2.5**	–	**29.9**	106.3	**–**	–	**(1.1)**	(5.0)
Brokerage:								
Associates	**–**	–	**–**	–	**–**	–	**–**	–
Joint ventures	**–**	–	**–**	–	**–**	–	**–**	–

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

37 Related party transactions continued

As at 30 September 2020 loans to directors of $24.7 million (2019: $16.2 million) are outstanding. These loans are non-interest bearing, repayable upon demand and fully or partially collateralised. During the year $3.0 million was repaid (2019: $0.2 million repaid) and $15.0 million new loans were advanced (2019: $6.0 million). Loan balances relate to directors in the amounts of $17.2 million and $7.5 million (2019: $9.6 million and $6.6 million). The composition of directors changed during 2020 and accordingly the amounts may not be comparable.

Remuneration and loans of key management personnel

	2020 $m
Remuneration	**18.0**
Amounts charged in respect of pension schemes	**0.2**
Other long-term benefits	**0.2**
Share-based payments	**1.5**

The Group considers key management personnel includes the Directors of the Company and members of the Agricultural Committee and Chief Executive Officer of the Brokerage division.

As at 30 September 2020, loans to key management personnel of $36.5 million (2019: $32.1 million) are outstanding. These loans are non-interest bearing, repayable upon demand. During the year $7.4 million was repaid and $15.0 million new loans were advanced.

The composition of key management personnel has changed for 2020 and accordingly the amounts may not be comparable.

38 Group investments

The following subsidiaries and holdings are owned by the Group.

Name of undertaking	Group %	Registered office address
ED&F Man Liquid Products Argentina S.A.	100	Libertad 850 5ºb, Buenos Aires C1012AAR, Argentina
ED&F Man Capital Markets Argentina S.A.	100	Madres de Plaza De Mayo, 3020, 5 floor, Torres Nordilink, Rosario, Province of Santa Fe, Argentina
Cofi-Com Trading Pty Ltd	100	Suite 1, 80-82 Bathurst Street, Liverpool, NSW 2170, Australia
ED&F Man Capital Markets Australia Pty Ltd	100	Tower One - International Towers Sydney, Level 46, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia
ED&F Man Liquid Products Belgium N.V.	100	Schuttershofstraat9, Antwerp 2000, Belgium
ED&F Man Holdings Insurances Limited	100	Aon House, 30 Woodbourne Avenue, Pembroke HM 08, Bermuda
ED&F Man Capital Markets Holdings Limited	100	Clarendon House, Church Street, Hamilton, Bermuda
Agrovia S.A.	31.53	Avenida Brigadeiro Faria Lima n° 201, Conjunto 151, Pinheiros, CEP 05426-100, Sao Paulo, Brazil
Copag – Cia Capital De Armazens Gerais S.A.	100	Rua Nazareth Do Prado 225, 37026.520 – Varginha – MG, Brazil
ED&F Man Volcafe Brasil Ltds	100	Torres Empresariais Do Ibirapuera – Torre II, Av Ibirapuera 2332 – 10º Andar – Conju.102 – SP CEP 04 028–002, Brazil
ED&F Man Brasil S.A.	100	
ED&F Man Capital Markets	100	
Melaco Nassau Ltd	99	
Volcafe Ltda	100	
ED&F Man Participações Financeiras Ltd	100	
Alimentos Pr Brasil	26.71	
ED&F Man Canada Inc.	100	Suite 5300 TD Bank Tower, Box 48, 66 Wellington Street West, Toronto ON M5K 1E6, Canada
Saskatchewan Limited	100	374 Third Avenue South, Saskatoon, SK S7K 1M5, Canada
Belle Pulses Limited	20	

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

38 Group investments continued

Name of undertaking	Group %	Registered office address
Agricola Terrandes	89.02	Rosario Norte 615, 23rd Floor, Las Condes, Santiago, Chile
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	
Agromas	89.02	
ED&F Man Alimentos Limitada	100	
ED&F Man Chile Holdings Spa	100	
ED&F Man Chile S.A.	100	
Empresas Iansa S.A.	89.02	
Iansagro S.A.	89.02	
Generacion Industrial	89.02	
Iansa Agencia Panama-Branch office, Iansagro SA	89.02	
Iansa Ingredients S.A.	91.55	
Iansa Alimentos S.A.	91.55	
Apple Fit Spa	45.77	
ED&F Man (Shanghai) Co. Ltd	100	Room 911, No. 111, Feng Pu Avenue, Industrial Zone, Shanghai, P.R.C. China
Yunnan Volcafe Company Limited	51	The Crossway of Si Lan Road and Ban Shan Road, Simao District, Pu'er, Yunnan Province, China
Carcafe Ltda C.I.	100	Calle 72 No. 10-07 Office 1301 Santafé De Bogotá, Colombia
Beneficios Volcafe S.A.	100	Carretera a Heredia Del Puente Rio Virilla, San Jose 1000, Costa Rica
Café Capris S.A.	100	
Rublacedo S.A.	100	
ED&F Man Capital Markets CEEMA Limited	100	205 Archbishop Makarious Ave, 2 Floor Victory House, Office 207, 3030 Limassol, Cyprus
Noxtran Holdings Limited	51	PNO House, 3rd Floor, 3100 Limassol, Cyprus
ED&F Man Ingredients s.r.o	85	Zvolenêves 86, Zvolenêves 273 25, Czech Republic
ED&F Man Liquid Products Czech Republic s.r.o	100	Masarykovo Náměstí, 3/3, Děčín 40502, Czech Republic
ED&F Man Terminals Denmark ApS	100	Gorrissen Federspiel, Silkeborgvej 2, 8000 Aarhus C, Denmark
ED&F Man Capital Markets Mena Limited	100	Unit OT 17–42, Level 17, Central Park Offices, DIFC, Dubai
ED&F Man Trading Egypt Limited	95	2nd Floor, Unit 7, Spot Mall First District, New Cairo, Fifth Settlement, Cairo, Egypt
ED&F Man Commodities Egypt Limited	100	
ED&F Man Ireland Holdings Limited	100	3rd Floor Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland
ED&F Man Liquid Products Ireland Limited	100	
ED&F Man Terminals Ireland Limited	100	

38 Group investments continued

Name of undertaking	Group %	Registered office address
Advanced Feed Fats Limited	33	3 London Bridge Street, London SE1 9SG United Kingdom
Agman Holdings Limited*	100	
Agman Investments Limited	100	
Agman Treasury Management Limited	100	
Bauche SA Limited	100	
ED&F Man Capital Markets Limited*	100	
ED&F Man Capital Markets Treasury Management Plc*	100	
ED&F Man Coffee Limited	100	
ED&F Man Financial Services Holdings Limited*	100	
ED&F Man Fishoils Limited	100	
ED&F Man Liquid Products UK Limited	100	
ED&F Man Metals Limited	100	
ED&F Man Nicaragua Limited	100	
ED&F Man Commodities Treasury Management Limited	100	
ED&F Man Sugar Limited	100	
ED&F Man Sugar Overseas Holdings Limited	100	
ED&F Man Treasury Management Plc*	100	
ED&F Man Capital Markets International Holdings Limited	100	
ED&F Man Capital Markets Services Limited	100	
Femis Limited	100	
Holco Man Limited	100	
Holco Trading Co. Limited	100	
L. K. & S. Trading Company Limited	100	
Maviga Limited	100	
Maviga Europe Limited	100	
ED&F Man Capital Markets Nominees Limited	100	
Transition Feeds LLP	33.33	
Agman Services Limited	100	
ED&F Man Chile Limited	100	
ED&F Man Cocoa Limited	100	
ED&F Man Commodities Limited	100	Esplanade, St Helier, Jersey JE1 2TR
Volcafe France S.A.S.	100	27–29 Rue Chateaudbriand, Paris 75008, France
ED&F Man Deutschland Gmbh	100	Am Sandorkai 62, 20457 Hamburg, Germany
Gollucke & Rothfos Gmbh	100	Schlachte 3 – 5, Bremen 28195, Germany
Hermann Haelssen Gmbh	100	
Liquid Feed France S.A.S.	50	62, Route de Paris – 14630 Cagny, France
Liquid Feed Europe Holdings B.V.	50	Oud-Beijerland, The Netherlands
Broadhurst Commodities Private Limited	100	Laurens Jzn. Costerstraat 12, 3261 LH, India
ED&F Man Liquid Products S.A. de C.V.	100	Avenida Jose Vasconcelos Numero 105, Piso 9, Oficina 902, Colonia Hipodromo Condesa, Delegacion Cuauhtemoc, Distrito Federal, C.P. 06170, Mexico

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

38 Group investments continued

Name of undertaking	Group %	Registered office address
Maviga Ghana Limited	100	No.10 Manyo Plange Street – P.O. Box CR 1466, Cantonments, Accra, Ghana
Peter Schoenfeld S.A.	100	Diagonal 6, 13–27, Zone 10, Guatemala City CA 01010, Guatemala
Waelti-Schoenfeld Exportadores De Café S.A.	100	
Commerciale Sucriere S.A.	100	1 National Road, Shodecose, Port Au Prince, Haiti
Molinos De Honduras S.A.	100	Ave New Orleans Frente Al Instituto Tecnico Aleman, 3 Avenida Entre 28 Y 29 Calle, San Pedro Sula, Honduras
Arabica Coffee Roasters (Hong Kong) Limited	20	Room 2003, C C WU Building, 302–308 Hennessy Road, Wanchai Road, Hong Kong
ED&F Man Capital Markets Hong Kong Limited	100	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
ED&F Man (Far East) Limited	100	
Stepford Company Limited	33	
ED&F Man Liquid Products Hungary K.F.T.	100	2000 Szentendre, Harmut U.16, Hungary
ED&F Man Commodities India Pvt. Limited	100	601, 275A/1/2, Malhotra Chambers, Govandi Station Road, Deonar, Govandi (East), Mumbai-400 088, India
Uniworld Sugars Pvt. Limited	50	A-112, Sector 63, Noida-201201, Uttar Pradesh, India
Pt ED&F Man Indonesia	100	Menara Rajawah Lt. 12, Jl. Dr. Ide Anak Agung Gde Agung Lot #5.1, Setiabudi Jakarta Selatan, Indonesia
Pt Volkopi Indonesia	100	Jl.Pasar Melintang No. 28, Desa Tanjung Selamat, Kec. Percut Sei-tuan, Deli Serdang 20371, Sumatera Utara, Indonesia
Unavoo Food Technologies	10	Shvat Street 5, Qiryat Gat, Israel
ED&F Man Liquid Products Italia Srl	100	Toree 1 – Unita 12 – 7° Floor, Viale Aldo Moro 64, Fiera District, Bologna 40127, Italy
Societe Ivoirienne De Produits Tropicaux Et Alimentaires S.A.	100	Abidjan-Zone Industrielle De Vridi, Rue Morris, 0l BP 3804 Abidjan 0l, Ivory Coast
Volcafe Ltd	100	80 Kyo-Machi, Chuo-Ku, Kobe, Japan
Mshale Commodities Limited	100	Plot No 209/2069, Dennis Pritt Road, Po Box 49525-00100, Nairobi, Kenya
Simba Commodities Limited	100	
Taylor Winch (Coffee) Ltd	100	
Zambeco Trading Kenya Limited	100	
ED&F Man Cocoa Sdn Bhd	100	PO Box 60272, 91012 Tawau Sabah, Malaysia
Kilombero Holdings Limited	26.67	Tenth Floor, Raffles Tower, 19 Cybercity, Ebene, Republic of Mauritius
Agazucar S.A. De C.V.	30	Paseo Lomas Altas No. 4030, Col. Lomas Altas, C.P.45129, Zapopan, Jal, Mexico
Tenedora de Acciones de Sinaloa S.A. de C.V.	100	Paseo De Los Tamarindos Numero 60, Piso 4, Colonia Bosques De Las Lomas, Delegation Cuajimalpa De Morelos, Distrito Federal, CP 05120, Mexico
Compania Azucarera de Los Mochis, S.A. de C.V.	30	
Azucar Grupo Saenz	49	
Compania Panamericana De Comercio S.A. DeCV	50	Volcan Quinceo No.523, Col. Paraisos Del Colli, C.P. 46069, Zapopan, Jal., Mexico
ED&F Man Capital Markets Mexico S.A. De C.V.	100	Andres Bello 10, Piso 14, Col. Chapultepec Polanco Miguel Hidalgo, C.P. 11560, Mexico
ED&F Man Liquid Products Mexico S.A. De C.V.	100	Avenida José Vasconcelos Número 105, PISO 9, Oficina 902, Colonia Hipódromo Condesa, Delegación Cuauhtémoc, Distrito Federal, C.P. 06170, Mexico
ED&F Man De Comercio S.A. De C.V.	100	
ED&F Man De Mexico S.A. De C.V.	100	
ED&F Man De Servicios. A. De C.V.	100	
Intercomsa S.A. De C.V.	100	
MS Sugar S.A.P.I De C.V.	50.5	

38 Group investments continued

Name of undertaking	Group %	Registered office address
Logiserv S.A. De C.V.	50	Volcan Quinceo No.523, Col. Paraisos Del Colli, C.P. 46069, Zapopan, Jal., Mexico
ED&F Man Moçambique Limitada	100	Rua Voluntario de Lourenco Marques, Com Talho No.3418, Munhava-Beira, Sofala, Moçambique
Maviga Moçambique Limited	99	
ED&F Man Holdings B.V.	100	De Ruyterkade 6, 6th Floor, 1013 AA Amsterdam, The Netherlands
ED&F Man Liquid Products Nederland B.V.	100	
ED&F Man Molasses B.V.	100	
ED&F Man Ukraine Investments B.V.	100	
ED&F Man Feedimpex B.V.	100	
Hooiveld Scheepvaart En Transport B.V.	100	
Industrias El Palmar Holdings B.V.	100	
Sofpac B.V.	100	
ED&F Man Vietnam Holdings B.V.	100	
Maviga Trading B.V.	100	
E D & F Man Netherlands B.V.	100	
Limako B.V.	49	Noordzeedijk 113, 4671TL Dinteloord, The Netherlands
Nexco Holding B.V.	33.33	Veerkade 7C, 3016 Rotterdam, The Netherlands
Distribuidora Y Comercializadora De Azucar S.A.	100	C/O Evenor VALDIVIA P. & Asociados Oficina De Leyes, Rotonda El Gueguense, 150, Metros Al Sur, Managua,Nicaragua
Servicios Azucareros Nicaraguenses S.A.(SANSA)	100	Canal 2, Dos Cuadras Abajo, 1 Cuadra Al Lago Managua, Nicaragua
Volcafe De Nicaragua S.A.	100	Semaforo Enel Central, 2 Cuadras Al Sur, Media Cuadra, Al Este. Barrio Edgar Munguiam, Managua, Nicaragua
ED&F Man West Africa Limited	100	Suite C202, No 11 Dunukofia Street, Area 11, Garki, Abuja, Nigeria
Maviga West Africa Limited	99.99	115 Palm Avenue, Mushin, Lagos State, Nigeria
PNG Coffee Exports Ltd	90	PWC Haus, Level 6, Harbour City, Konedobu, Port Moresby, National Capital District, PNG, Papa New Guinea
Icatom	89.02	Av. Manuel Santenna Christi, 1151, Urbanizacion Santo Domingo De Guzman, Peru
ED&F Man Peru Sac	100	Monte Rosas 255 Fourth Floor Office 309 Charcarilla, Santiago De Surco Lima, Peru
Procesadora Del Sur S.A.	100	Av. Pedro Ruiz Gallo Lote 124C – 125 A – ATE – Lima, Peru
Aeta Energy Philippines Inc	99.99	Room 214, 2nd Floor Capitol SUBD. Building, Bacolod, Negros Occidental, 6101 Philippines
ED&F Man Commodities Philippines Inc	100	Unit 65 West Grace Office, 2200 SUBIC, Manila, Philippines
ED&F Man Philippines Inc	100	37th Floor Rufino Pacific Tower, 6784 Ayala Ave., Makati City, Philippines
EGC Rising Tide Hauling Inc	100	
Schuurmans & Van Ginneken Philippines Inc	100	
Honig Sugar Trading Corp.	50	6784 Ayala Ave., 1226 Makati City Philippines
S&Q Logistics	100	Zone Li Santo Rosario, 6100 Negros Occidental, Philippines
ED&F Man Commodities Sp. Z.O.O.	100	Ul Grzybowska 4/125, Warsaw, 00-131, Poland
ED&F Man Liquid Products Poland Sp z.o.o	100	Ul. Al Grunwaldzka nr. 472, Gdańsk 80-309, Poland
ED&F Man Portugal Limitada	100	Av Antonio Serpa, 23-7 Andar, Lisbon 1050-026, Portugal
Global Sugar Trading-Comercio De Azucar Ltda	100	Rua Dr. Brito Camara No 20, 1st Floor, Funchal, Portugal

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

38 Group investments continued

Name of undertaking	Group %	Registered office address
Uralada Portugal S.A.	100	Estrada Da Graça Cachofarra, Setúbal 2910-524, Portugal
Envasadora De Azucar Inc.	35	Centro De Distribución Del Norte, National Road 869, Palmas Ward, Cataño, Puerto Rico 00962
ED&F Man Commodities Romania SRL	100	17 Caltuna Entrance Street, 4th District, Bucharest, Romania
LLC "ED&F Man"	100	Office 520, 5th Floor, Vasilisa Kozhina Str. 1, Moscow 121096, Russia
LLC "ED&F Man Trading"	51	Room 8K, 5th Floor, Vasilisa Kozhina Str. 1, Moscow 121096, Russia
ED&F Man Asia Pte. Ltd	100	160 Robinson Road, #22-07, SBF Centre, 068914, Singapore
ED&F Man Singapore Pte. Ltd	100	
ED&F Man Capital Markets (Singapore) Pte Ltd	100	
Maritime Investment Holdings Pte Limited	50	
Volcafe Pte Ltd	100	
ED&F Man Liquid Products Slovakia S.R.O.	100	Stredná 7, 945 01 Komárno, Slovak Republic
ED&F Man D.O.O.	100	Dunajska 22, 1000 Liubliana, Slovenia
ED&F Man Liquid Products South Africa (Pty) Ltd	100	Suites 1–3 Dalbergia, Forest Square, 11 Derby Place, Derby Downs Office Park, Westville 3629, South Africa
Maviga ZA (Pty) Limited	100	Block A, Surrey Park, 6 Barham Road, Westville, 3629 Durban, South Africa
ED&F Man Korea Limited	100	4th Floor, 8 Seochojungang-RO 22-Gil, Seocho-Gu, Seoul, Korea (Seocho-Dong), South Korea
ED&F Man España S.A.	100	Calle Sagasta 27, 2 Izda, Madrid 28004, Spain
Global Sugar Services S.L. U	100	
Hermanos Vila Melazas S.A.	50	
Volcafe Iberia S.A.	100	
Iberliquidos SL	50	
ED&F Man Switzerland Ltd	100	Technoparkstrasse 7, Winterthur 8406, Switzerland
Volcafe Holding Ltd	100	
Volcafe Ltd	100	
Maviga S.A.	100	26A Route De Coppet, Commugny, Near Geneva, CH 1291, Switzerland
Illovo Sugar Distillers (Tanzania) Limited	20	Msolwa Mill Office, Kidatau, Tanzania
Maragi Limited	100	Plot Number 056 Vikinduy Area, Muuranga Tanazania
Maviga Tanzania Limited	99	Plot No, 2370/75c, Vingunguti, Dar Es Salaam, Tanzania
Maviga East Africa Limited	98	
Taylor Winch (Tanzania) Limited	100	P.O. Box 524, Moshi, Tanzania
Rafiki (Coffee) Ltd	100	
Kahawa Endelevu Limited (KEL)	100	P.O. Box 372, Moshi, Tanzania
Maviga Middle East DMCC	100	Unit No 1404, 14th Floor, Tiffany Tower, Jumeirah Lakes Towers, Dubai, UAE
ED&F Man Gulf DMCC	100	23F, Au Tower, Jumeirah Lakes Tower, Sheikh Zayed Road, Dubai, UAE
Mshale Commodities (Uganda) Limited	100	Plaza Plot No 22/24, Kampala, Uganda
Volcafe Uganda Limited	100	Kampala Industrial & Business Park – Namanve, P.O. Box 3181, Kampala, Uganda
Kyagalanyi Coffee Ltd	100	
Agro Dilo Farm 1	100	1, Sadova Str, Office 206, Mykolaiv, Mykolaiv Region, 54001, Ukraine

38 Group investments continued

Name of undertaking	Group %	Registered office address
LLC Ukrainian Sugar Company	100	2, Zavodska Street, Pervomaiske Village, Vitovskiy District, Mykolaiv Region, 57232 Ukraine
LLC ED & F Man Trading Ukraine	100	19–21 Bohdana Khmelnytskoho St., Kyiv, 01030, Ukraine
ED&F Man Uruguay S.A.	100	810 Colonia Oficina 403, Montevideo, CP 11100, Uruguay
Inancor S.A.	100	
Trazen S.A.	33	
Cogency Global Inc.	100	
Agman Louisiana Inc	100	850 New Burton Road, Suite 201, Dover, Delaware 19904 USA
C&H Option Trading Inc	100	440 S LA Salle St, Chicago, IL60605, USA
ED&F Man Capital Markets Inc	100	140 East 45th Street, 42nd FL. New York, New York 10017, USA
ED&F Man Client Services Inc	100	
Cogency Global Inc	100	
Royal Ingredients Inc	100	10 East 40th ST., 10th Floor, New York, New York 10016, USA
ED&F Man Holdings Inc	100	850 New Burton Road, Suite 201, Dover, Delaware 19904, USA
ED&F Man Liquid Products Llc	100	
ED&F Man Professional Trading Services Inc.	100	
ED&F Man Services Inc	100	National Registered Agents Inc.160 Greentree Dr STE 101, Dover, Kent, Delaware 19904, USA
ED&F Man Sugar Inc	100	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware 19801, USA
ED&F Man Derivative Products Inc	100	140 East 45th Street, 10th Floor, New York, NY 10017, USA
Gold River Liquid Products Llc	51	850 New Burton Road, Suite 201, Dover, Delaware 19904, USA
Corporation Service Company	100	
Royal Ingredients LLC	100	251 Little Falls Drive, Wilmington, New Castle, Delaware 19808, USA
Trade Lifts LLC	100	
Volcafe Specialty Coffee Corp	100	United Corporate Services, 874 Walker Rd STE C, Dover, Kent, Delaware 19904, USA
Westway Feed Products LLC	100	Cogency Global Inc.850 New Burton Road, Suite 201, Dover, Delaware 19904, USA
Maviga NA Inc	100	103 E Sparague Avenue, Spokane, WA 99202-1603, USA
Belle Pulses USA LLC	59.2	
21st Century Agriculture Investment LLC	51	
Palouse Pulse LLC	100	
Nutramel S.A.	50	Cagua, Municipality of Sucre in Aragua State, Corinsa Industrial Zone, Calle Lazo III, Unit No. 25, Postal Zone 2122, Venezuela
Dakman Vietnam Co. Limited	66.4	KM07, National Road 26, Buonmathuot City, Daklak Province, Vietnam
ED&F Man Venezuela S.A.	100	Av. Francisco De Miranda, Edif. Banco Del Orinoco Piso 9, Caracas, Venezuela
Ipsa Inversiones C.A.	49	
Volcafe Vietnam Co. Ltd	100	An Phuoc Industrial Park, Long Thanh Ward, Dong Nai Province, Vietnam

* Directly held by ED&F Man Holdings Limited

Notes to the consolidated financial statements continued…

for the year ended 30 September 2020

38 Group investments continued

The following 100% owned subsidiaries, registered in England and Wales, are exempt from an audit of their individual accounts by virtue of s479A of the Companies Act 2006. ED&F Man Holdings Limited is providing a guarantee under s479C of the Companies Act 2006 in respect of these entities for the year ended 30 September 2020:

Company name	Registered number
Advanced Feed Fats Limited	04147992
Agman Holdings Limited	03901524
Agman Investments Limited	04091063
Bauche SA Limited	00833035
Femis Limited	00422396
L.K. & S. Trading Company Limited	00519047
ED&F Man Chile Limited	02889195
ED&F Man Cocoa Limited	01287947
ED&F Man Coffee Limited	03068479
ED&F Man Sugar Overseas Holdings Limited	03600498
Holco Man Limited	01638058
Maviga Limited	02953255
ED&F Man Metals Limited	02884198
ED&F Man Fishoils Limited	02697807
ED&F Man Liquid Products UK Limited	05734191
Maviga Europe Limited	03345650

39 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%.

Below are the condensed financial information on the fully consolidated subsidiary Iansa:

Summarised statement of financial position	2020 $m	2019 $m
Current assets	**326.5**	308.4
Non-current assets	**251.9**	261.3
Current liabilities	**(165.4)**	(131.1)
Non-current liabilities	**(67.3)**	(76.6)

Summarised statement of profit or loss	2020 $m	2019 $m
Sales revenue	**393.3**	405.5
(Loss)/profit after tax	**(15.1)**	0.6
Comprehensive (loss) income	**(15.1)**	0.6

Summarised cash flow information	2020 $m	2019 $m
Cash flows from operating activities	**24.7**	33.6
Cash flows from investing activities	**(12.5)**	1.0
Cash flows from financing activities	**3.7**	(34.0)
Net increase in cash and cash equivalents	**15.9**	0.6

Attributable to non-controlling interests	2020 $m	2019 $m
Share of capital attributable to non-controlling interests	**38.0**	39.8
(Loss)/profit attributable to non-controlling interests	**(1.6)**	0.1
Equity attributable to non-controlling interests	**36.4**	39.9

No dividends had been paid in 2020 (2019: Nil).

Company balance sheet

As at 30 September 2020

	Note	30 September 2020 $m	30 September 2019 $m
Fixed assets			
Investments	3	**951.1**	460.0
Current assets			
Debtors	4	**45.0**	190.1
Cash at bank and in hand		**0.6**	2.5
Total current assets		**45.6**	192.6
Total liabilities	5	**(571.1)**	(196.6)
Net assets		**425.6**	456.0
Capital and reserves			
Share capital		**123.2**	122.2
Preference share capital		**64.5**	64.5
Share premium account		**181.0**	182.0
Capital redemption reserve		**14.5**	14.5
Retained earnings		**42.4**	72.8
Shareholders' funds attributable to equity interests		**425.6**	456.0

Approved by the Board of Directors on 19 December 2020 and signed on its behalf by:

Rafael Muguiro
Chairman

Lukas Paravicini
Group Chief Financial Officer

Company statement of changes in equity

for the year ended 30 September 2020

	Share capital $m	Preference share capital $m	Share premium account $m	Capital redemption reserve $m	Retained earnings $m	Total equity $m
At 1 October 2018	121.2	64.5	183.0	14.5	101.0	484.2
Loss for the year	–	–	–	–	(8.6)	(8.6)
Shares issued	1.0	–	(1.0)	–	–	–
Movement in own shares and share option plans	–	–	–	–	(19.6)	(19.6)
At 30 September 2019	**122.2**	**64.5**	**182.0**	**14.5**	**72.8**	**456.0**
At 1 October 2019	122.2	64.5	182.0	14.5	72.8	456.0
Loss for the year	–	–	–	–	(8.4)	(8.4)
Shares issued	1.0	–	(1.0)	–	–	–
Movement in own shares and share option plans	–	–	–	–	(22.0)	(22.0)
At 30 September 2020	**123.2**	**64.5**	**181.0**	**14.5**	**42.4**	**425.6**

Notes to the company accounts

for the year ended 30 September 2020

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 disclosure's 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 Trust can be found in Note 32 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 9 to the consolidated financial statements. The Company has no employees other than the Directors.

3. Fixed asset investments of the Company

	2020 $m	2019 $m
Shares in subsidiaries at cost		
At 1 October	**460.0**	460.0
Additions	**847.1**	–
Impairment of investments	**(356.0)**	–
At 30 September	**951.1**	460.0

During 2020, the Group reorganised the businesses into three main operating segments: Commodities Trading, Brokerage and Holdings. This resulted in a number of changes in ownership of various subsidiaries held by the Company which is reflected in these financial statements.

Details of subsidiaries are shown in Note 38 to the consolidated financial statements.

4. Trade and other debtors of the Company

	2020 $m	2019 $m
Amounts falling due within one year		
Amounts owed by subsidiaries	**–**	177.4
Other debtors	**45.0**	12.7
	45.0	190.1

5. Trade and other creditors of the Company

	2020 $m	2019 $m
Amounts falling due within one year		
Amounts owed to subsidiaries	**434.4**	67.4
Other creditors	**1.3**	128.3
Taxation	**1.3**	0.9
	437.0	196.6
Amounts falling due more one year		
Other creditors	**134.1**	–
	571.1	196.6

Corporate information

Directors
R F Muguiro
M H Daniell
R G Reason
N Vesterdal
L J B Paravicini
N Pörksen
M Nelson-Smith (appointed 15 November 2020)
E Griffin (appointed 10 December 2020)

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
Banco do Brasil SA
BNP Paribas (Suisse) SA
Coöperatieve Rabobank U.A.
HSBC Bank plc
ING Bank N.V.
Nedbank Limited
Raiffeisen Bank International AG
Societe Generale

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