ED&F MAN
EST. 1783

Annual Report
2013

www.edfman.com

E D & F Man Holdings Limited

Directors
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Secretary
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Company registration number
3909548

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Who We Are

ED&F Man is a world leader in the trade of sugar, molasses and coffee. We also provide access to commodity and capital markets through our brokerage business.

We offer a global strategic perspective supported by in-depth local knowledge through our presence in around 60 countries, connecting producers and consumers on a worldwide scale. We also manage the risks associated with global supply and demand.

Our talented people are committed to building long-term relationships with customers, producers and the communities in which we work. We manage the whole commodities supply chain, delivering a comprehensive service including sourcing, processing, marketing, distribution and transport, as well as risk management expertise.

The majority of our organisation is owned by our employees. Employee ownership is a strong element of our philosophy, encouraging employees to have a commitment to the organisation's profitability and long-term success. Individually and collectively we take pride in our work and we are an organisation where people can thrive and achieve their career ambitions.

Our fundamental values are at the heart of everything we do:

Innovation	We seek innovative ways to add value for our customers by sourcing or producing bespoke products, developing advanced transport systems, or creating state-of-the-art storage facilities
Reliability	We guarantee our clients contract performance of the highest order
Respect	We respect the cultures and communities in which we do business
Best Practice	We ensure robust risk management and compliance processes to minimise exposure to risk and maximise the ability to respond quickly to global trade opportunities
Collaboration	Our people work together as a team in order to help our customers develop their businesses
Flexibility	We aim to exceed customers' expectations by building bespoke solutions to meet their needs

As a global organisation our corporate and social responsibility ethos is central to our culture. We support the objectives and spirit of accountable professional practices, which also make good business sense. As well as considering the environment around us, we seek to help and support the local communities in which we work. You can find out more on our website.

"As a **global** organisation we benefit from a rich cultural diversity"

Agricultural Commodities

Sugar

Centuries of specialist knowledge and **expertise**

ED&F Man is a specialist leader in sugar supply.
Today we source sugar from 40 countries - that's most of the producing countries around the world.

Headquartered in London, our sugar business has a significant presence in Central and South America, Asia, Africa and Europe. Our global knowledge and expertise is at the heart of our service. We offer local solutions through a growing number of in-country sales, purchasing and distribution businesses.

We source sugar, both raw and white, directly from origin to be sold to consumers, industrial users, wholesalers and refineries, including many household names. You may associate us with brands such as:

SIS Since 1967

IANSA

We are respected for our:

Innovation	We stay at the forefront of our industry through innovations in areas such as logistics and shipping. We developed unique vessels to carry bulk white sugar instead of the conventional bagged cargoes
Excellence	Our customers can be certain of quality, security of supply and timely deliveries. All our processing sites have storage and warehousing close to our customers. This enables us to arrange just in time deliveries and keep back-up stocks to ensure supply
Consistency	We work closely with producers to secure the right quality and ensure full traceability of our products. Food safety is our number one priority
Commitment	We value our long-standing relationships with the best producers both small and large
Adding value	We refine and process sugar in a number of countries in the Middle East, Eurasia, Latin America and Europe. Our processing facilities can produce blended-sugar products for use as ingredients in ready-made drinks manufactured for our customers' own brands

> "Making the world a smaller place by connecting customers with over 40 producing countries"

Coffee

Leaders in **sustainable** coffee

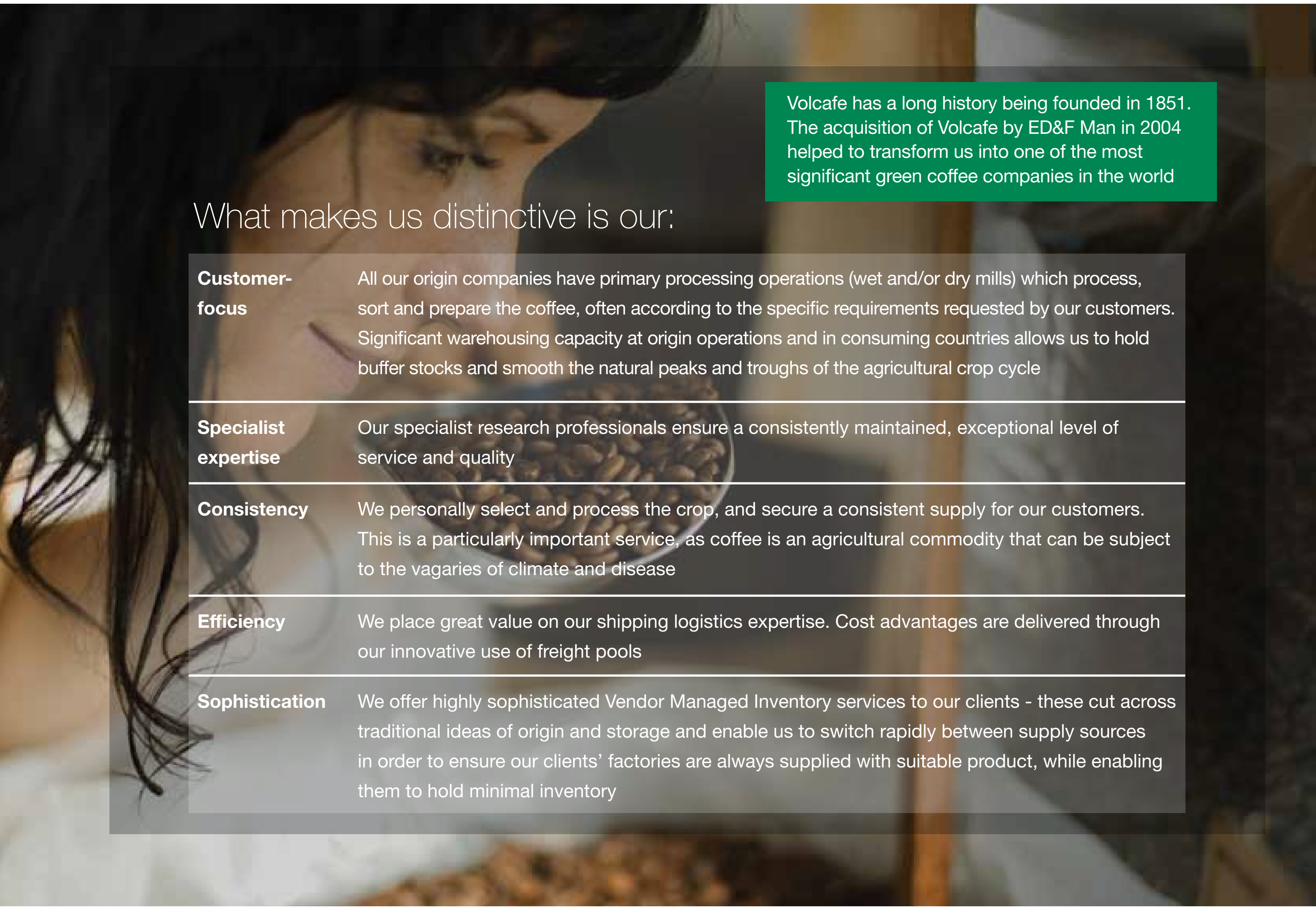
ED&F Man is a global leader in green coffee procurement and preparation, quality control, risk management and logistics.

We supply Arabica and Robusta coffees, and source specialty gourmet coffees from a number of origins. We act as merchants and distributors in many countries including the USA, Switzerland, Germany, France, Spain, Japan, China and Australia. Our sales operations in the major consuming regions support our role as a leading supplier to multinational roasters.

We work in countries that collectively account for over 90% of world production, including: Brazil, Colombia, Peru, Costa Rica, Honduras, Guatemala, Kenya, Tanzania, Uganda, Ethiopia, India, Vietnam, Indonesia and Papua New Guinea. Wherever we operate we provide a strong, local service backed by our global knowledge and expertise.

We believe in building long-term partnerships with our producers in all our origins. These strong, long-term relationships are at the root of our success. We partner with a wide range of quality growers and traders from whom we buy coffee - from individual farmers in Papua New Guinea selling a few kilos of coffee cherries, to large plantations and traders in Brazil.

VOLCAFE



Volcafe has a long history being founded in 1851. The acquisition of Volcafe by ED&F Man in 2004 helped to transform us into one of the most significant green coffee companies in the world

What makes us distinctive is our:

Customer-focus	All our origin companies have primary processing operations (wet and/or dry mills) which process, sort and prepare the coffee, often according to the specific requirements requested by our customers. Significant warehousing capacity at origin operations and in consuming countries allows us to hold buffer stocks and smooth the natural peaks and troughs of the agricultural crop cycle
Specialist expertise	Our specialist research professionals ensure a consistently maintained, exceptional level of service and quality
Consistency	We personally select and process the crop, and secure a consistent supply for our customers. This is a particularly important service, as coffee is an agricultural commodity that can be subject to the vagaries of climate and disease
Efficiency	We place great value on our shipping logistics expertise. Cost advantages are delivered through our innovative use of freight pools
Sophistication	We offer highly sophisticated Vendor Managed Inventory services to our clients - these cut across traditional ideas of origin and storage and enable us to switch rapidly between supply sources in order to ensure our clients' factories are always supplied with suitable product, while enabling them to hold minimal inventory

Liquid Products

A world leading supplier of molasses for animal feed and many other

innovative applications

ED&F Man has operated in the animal feed sector for over 80 years, and our commitment to quality is deep rooted.

From our sites across North America, Europe and Asia, we provide the link between sugar mills and customers in the animal feed and fermentation industries. We specialise in sourcing, shipping, storage and distribution of molasses, molasses blends and other sugar co-products, as well as vegetable and fish oils.

Using the sourcing expertise of our trading division and the blending and inventory management capabilities of our storage operations, we are able to produce sophisticated blends tailor-made for each of our customers' needs.

Innovation has always played an important role in our work and the potential uses for molasses continue to attract attention from many different industries. Deep knowledge of the physical and chemical properties of molasses means that our highly skilled staff are often called upon to assist with the development of pioneering new applications.

We combine our specialised product knowledge with the offer of technical support for manufacturing processes and the development of application equipment.

From source to final destination, our processes are managed through a rigorous Business Management System, meticulously ensuring industry standards are met for animal feed, fermentation and agglomeration.

Westway Feed Products, an ED&F Man brand, is a leading feed manufacturer across North America and beyond.

Westway FEED PRODUCTS Where solutions flow.®

Our products have a wide range of uses:

Animal Feed manufacturers and farmers	We supply a range of products from regular to complex molasses blends containing added protein, vegetable oils and minerals
Fertiliser	We blend co-products from molasses fermentation, with specialist minerals and trace elements to create high performance, cost-effective fertiliser
Fermentation industry	We supply products for the production of monosodium glutamate, alcohol, citric acid and yeast
Agglomeration	Many customers use our products for agglomeration where the unique properties of molasses are used to bind a wide range of materials
Construction industry	The construction industry uses molasses to delay the setting and improve the quality of concrete
Bioremediation	Molasses can be used in soil and wastewater treatment and bioremediation (removing pollutants from contaminated materials)

"Creating sophisticated blends, tailor-made for each of our customers' needs"

Products:

- Molasses (beet and cane)
- Condensed Molasses Solubles (CMS)
- Liquid co-products from the food industry and primary producers
- Vegetable oils
- Fish oils and fish meal
- Glycerine
- Beet pulp pellets

Shipping

Experts in global shipping solutions

ED&F Man's shipping business was formed in1983. Today it has teams in London and Singapore, focused on two main business activities: trading and brokerage.

As specialist shipping experts, we provide clients with a full brokerage service including post-fixture, logistics and operations back-up.

Time Charter Operations

We have up to 35 bulk carriers on charter at any one time. This, combined with access to our spot chartered tonnage, enables us to offer clients a comprehensive service.

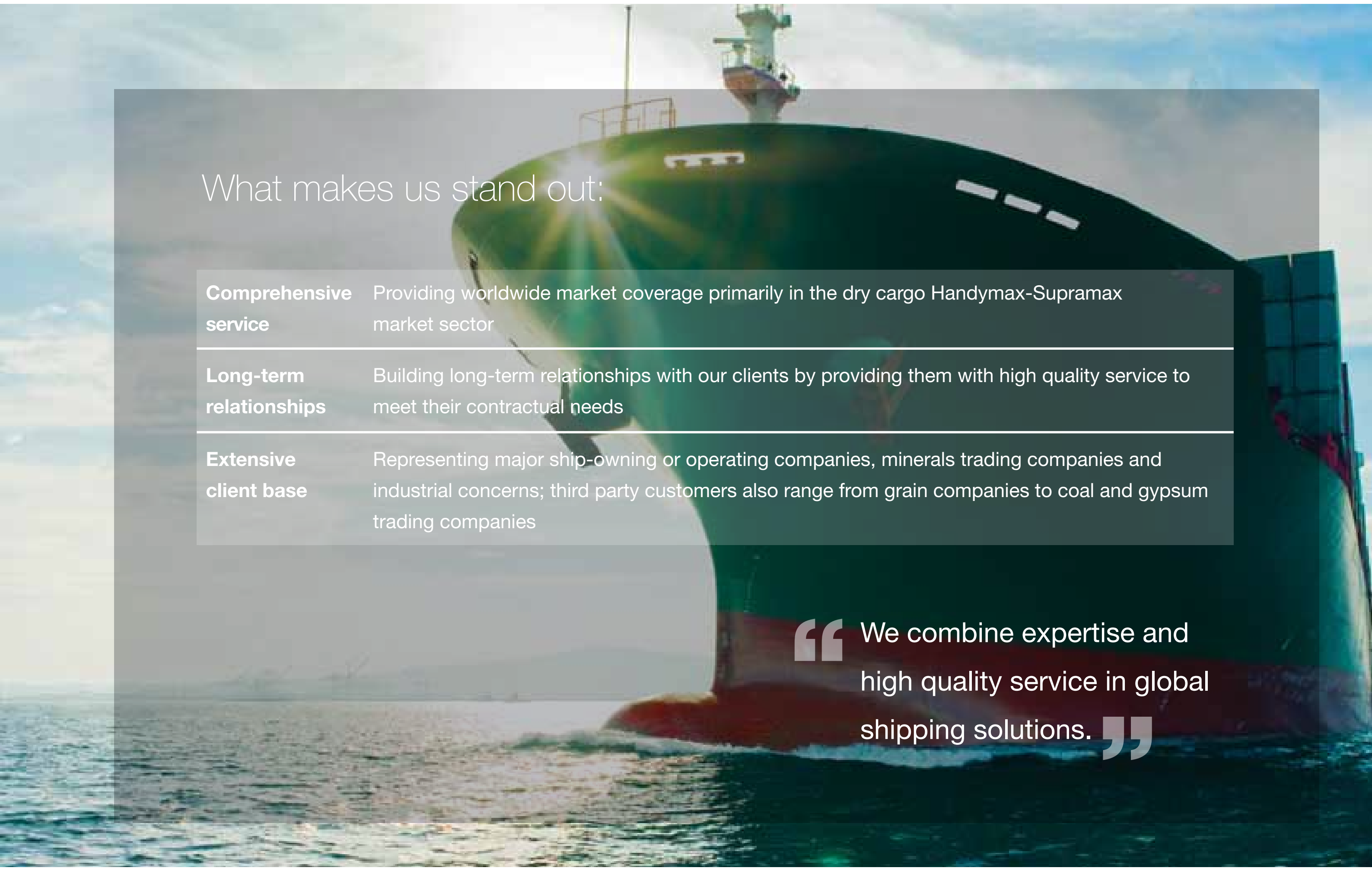
Our customers include major international trading firms as well as industrial companies.

Our clients are mainly industrial and minerals trading companies and our ships carry a variety of commodities including cement, petcoke, steel scrap, alumina, manganese ore and coal.

Ship Brokerage

Our brokerage activity includes both third party and in-house brokerage. We provide clients with a full brokerage service including post-fixture, logistics and operations back-up.

Our third party customers range from grain companies to coal and gypsum trading companies together with major ship-owning and operating businesses.



What makes us stand out:

Comprehensive service	Providing worldwide market coverage primarily in the dry cargo Handymax-Supramax market sector
Long-term relationships	Building long-term relationships with our clients by providing them with high quality service to meet their contractual needs
Extensive client base	Representing major ship-owning or operating companies, minerals trading companies and industrial concerns; third party customers also range from grain companies to coal and gypsum trading companies

> "We combine expertise and high quality service in global shipping solutions."

Brokerage

Global execution, comprehensive products and services

ED&F Man Capital Markets provides clients with access to the global capital markets in products including fixed income, foreign exchange, equities, commodities and listed derivatives.

Operating out of offices in Chicago, New York, London, Winterthur, Hong Kong and Singapore, our capital markets business employs around 200 staff dedicated to servicing the needs of our global customers - the highest levels of customer service are at the centre of everything we do.

Our services encompass trade processing, clearing, execution, market making and agency based electronic and voice brokerage services.

The firm's business ethos is driven by integrity, trust and client care.

Further information is available at
www.edfmancapital.com

We offer institutional clients and experienced investors a comprehensive, flexible range of products and services across a broad spectrum of exchange traded, OTC and investment banking products.

As part of ED&F Man, ED&F Man Capital Markets benefits from a solid level of capitalisation with a disciplined management focus on financial and risk management control coupled with robust, effective corporate governance.

We are authorised and regulated by the appropriate authorities in the United Kingdom, United States of America, Hong Kong and Singapore.

> "Putting our clients first ensures their success and our own"

Contents

Chairman's Statement

I am delighted to report an excellent financial performance by E D & F Man Holdings Limited for the year ended 30 September 2013. The reported profit before tax of $205.5 million, against $80.2 million in the prior year ended 30 September 2012, was the highest so far achieved by our business. While profits this year were boosted by a net pre-tax gain of $55.9 million from restructuring transactions, the underlying strength of the operating business was demonstrated by record profit before tax of $149.6 million.

Generally favourable weather conditions in the key sugar and coffee producing areas led to another year of production surpluses in both sugar and coffee. In addition, the threat of a reduction in quantitative easing from the US Federal Reserve, combined with weakening macroeconomic conditions in a number of developing countries in our key markets, led to currencies depreciating against the US dollar, which contributed to the softening of coffee and sugar prices on the international markets. Over the year sugar prices fell to three year lows and coffee prices fell to seven year lows. In contrast, molasses prices were largely unchanged. In such difficult market conditions, our performance from our day-to-day business activities has been excellent. It is not easy to trade in bear markets, when buyers watch prices sliding and postpone purchases. Our Sugar, Molasses and Coffee merchanting businesses all performed very well during the year and we increased our volumes in all three commodities.

In Sugar our distribution and trading activities worldwide continued to perform well and we consolidated our position as a world leader particularly in white sugar. The low prices and volatility affected our sugar production assets, particularly in the NAFTA region. During the year we made a strategic investment in Royal Ingredients LLC, a US sugar distributor which will enhance our NAFTA business once market conditions improve. Also during the year we acquired Bauche S.A., a medium-sized trading company focused particularly on West Africa and on the fast growing container business. This purchase supports our West African expansion and will provide growth opportunities in a market which is expanding very quickly. The other region where we forecast higher growth is Asia and I am pleased to report that our refinery investment in India should produce its first sugar during the first quarter of 2014.

In spite of the market price for coffee declining continuously and record crops in Brazil and Vietnam, our Coffee business, Volcafe, expanded volumes once again and posted an excellent result. We continued to invest in new milling capacity with new building projects in both Colombia and Uganda. Roaster clients and their discerning customers maintain their increasing demand for certified coffees. The efforts we have made in sourcing sustainable coffee from many different origins allow our coffee business to meet this growing demand and enhance returns to farmers.

I am pleased to report another excellent performance from our Liquid Products business. We have a very strong position in the global molasses market, and with prices largely unchanged throughout the year, we were able to trade very profitably. Our investment in 100% of Westway Feed (mentioned below) allowed us once again to capture value in the United States where weather events pushed prices of feed ingredients to an unprecedented high level.

Chairman's Statement
continued

The freight market continued to be a very challenging business environment with dry cargo rates slipping further during the course of the year and testing the lowest levels seen since the mid 1980's. The main cause of this slump is the huge over-supply of new shipping tonnage flooding the market in the last five years, coupled with anaemic growth in demand, especially from the major developed economies. Nevertheless, our Shipping team extracted value from this difficult market and there are early signs of an improvement in freight requirements.

Our Brokerage business, ED&F Man Capital Markets, is becoming well established throughout the financial services world. We are now authorised and regulated by the appropriate authorities in the United States, the United Kingdom, Singapore and Hong Kong, and the control environment in this business is subject to regulatory oversight and review on an on-going basis. The expansion of our platform in Brokerage offers our Group diversification of risk, as these activities are not closely correlated to our historical core physical commodity businesses.

You may recall that in 2009 we successfully merged our bulk liquid storage and animal feed businesses with Shermen WSC Acquisition Corp. We then listed the merged business, Westway Group, Inc., in the United States, retaining a 49.5% interest in the common stock. The merger was achieved at a significant profit over our net carrying cost. In the public arena, despite a continuing difficult economic environment in the United States following the credit crisis of 2008, Westway Group was able to grow its business and maintain its share price on Nasdaq. In the last financial year ended 30 September 2013 the shareholders of Westway Group sold the bulk liquid storage business to a financial investor, which provided ED&F Man with the opportunity to increase its shareholding in Westway Feed, the animal feed business, to 100% ownership. This is a strategic purchase for our Group since one of the main feed ingredients for Westway Feed is molasses. Westway Feed specialises in liquid animal feed, with the vast majority of its business in the USA. With ED&F Man's global reach and position in the molasses market, we can foresee significant opportunities to extend our feed business into new countries in the future. I would like to congratulate our Corporate Finance team and the business leadership team in New Orleans on the successful execution of this transaction which started in 2009 and concluded four years later in 2013.

As a global business, with offices in over 60 countries some of which can be considered higher risk areas, I am pleased to report that our control environment is strong. Over the year our Internal Audit reviews give the Board confidence that the Group's control environment continues to improve. With the investment from Südzucker Holding GmbH in the previous financial year ended 30 September 2012, together with the increase in our tangible net worth as a result of the year's record results, our capital base has grown substantially giving us a strong balance sheet and an improved credit profile.

We continue to emphasise our commitment to Corporate Social Responsibility throughout our Group. Although we report separately on our activities in this area, I am pleased to record that we work closely with our suppliers, our customers and other stakeholders to assist them wherever we can to achieve their sustainability goals. As consumers focus increasingly on traceability, food safety, and welfare issues in general, ED&F Man is well placed to satisfy their requirements.

During the year Group management focused especially on Asia where we see increasing growth potential. Our Board meeting in April 2013 was held in Shanghai, and Board members took the opportunity to visit our offices in Singapore, the Philippines, Vietnam and Cambodia. The focus we have placed on South East Asia in particular will enhance our profitability in the future. Because we have been trading in the region for several decades already, our business there has depth and is capable of sustainable growth.

Our current strategic plan is comprehensive, challenging and exciting and will ensure the ongoing success of ED&F Man. No-one can foresee the future, but our Group is dynamically structured and managed in such a way that we are able to react speedily to variations in market trends. The morale of our worldwide staff is high and this is demonstrated by a strong appetite for our shares.

I would like to pay tribute to our dedicated and highly motivated employees. This year of 2013 has been a year of celebration for ED&F Man being 230 years since our Group was founded by James Man, a cooper whose premises were not too far away from our head office today. A 230 year history for a private business is a remarkable achievement, and I can confirm that all our management and employees are working hard to grow and nurture ED&F Man for future generations.

Molly Harvey

MOLLY HARVEY

3 December 2013

Corporate Social Responsibility at ED&F Man

At ED&F Man we enjoy an enviable position in our chosen markets. The Board is determined to maintain this reputation and sees its CSR policy as central to the culture of ED&F Man, not only because they support the objectives and spirit of the policy, but also because this makes good business sense.

ED&F Man's Corporate Social Responsibility Steering Committee is chaired by the Group's Chairman, and members include the Group's Chief Executive Officer, the Group's Health and Safety Officer, and representatives from each major business. The Committee provides high level definition, commitment to and oversight of ED&F Man's social, ethical and environmental obligations and aspirations. We support the relevant codes of corporate governance and international standards.

The Group's Code of Conduct is mandatory for all employees in all our locations around the world. Its principles, aspirations and adherence to all legal requirements are set out in ED&F Man's CSR Compliance Handbook, and all employees are expected to comply with the key minimum standards set out in the Handbook to secure our pledge to be good corporate citizens.

ED&F Man's commitment to Health, Safety, Environmental and Quality performance has led to further considerable improvements during the year. Our businesses now report incidents in a standard format, which will allow improved comparison and targeting of performance in the future.

Our Sugar business has implemented a behavioural change programme which has helped us reach our target of a 15% reduction in accidents in FY13. Our Sugar assets are now benchmarked against the USA Sugar Refining Safety statistics, and we aim to put all the Group's assets onto this programme. Our Coffee business has benefitted from the introduction of the 'Perfect Plant' Continuous Improvement Initiative. Country Champions were identified at local mills to lead this programme of overall operational improvement and this has led to another significant reduction in our accident statistics, with a 54% reduction in accidents and a 64% reduction in lost days. However, following the purchase of a number of feed terminals, our European liquid products operation experienced its first two minor accidents for some time. Our acquisition of Westway Feed in the USA will enable us to share best practice around our business.

We have continued to focus on Food Safety and Quality. Our Sugar business obtained international Food Safety Certifications FSSC 22000 and SF Level 2 in selected operations. These standards are recognised by the Global Food Safety Initiative, and allow us to be an official supplier to all the major international food and drink companies. Our commercial operations in the EU and USA have implemented a quality assurance programme designed to continue the improvement in customer satisfaction, and reduce the risks of contamination. Our Liquid Products operations will benefit from the extensive experience of Westway Feed. Harmonisation through best practice will enable us to continue to improve and give our customers an excellent service and best in class product quality.

A continued excellent record of environmental compliance has been enjoyed across our Group, with another year of zero reportable environmental incidents. A programme of measuring the use of energy, water and monitoring waste in all our asset locations has resulted in the business being able to calculate its Carbon Footprint for these facilities. This information is increasingly required for our international customers. We shall continue to focus on reducing our carbon usage and therefore the use of the world's natural resources.

Sustainability continues to be a primary focus of ED&F Man, and with our stakeholders and customers. Our involvement with local communities and sustainability issues is supported by our membership of a number of Roundtables, including the Rainforest Alliance, 4C (the Code for the Coffee Community) and Bonsucro. We are part of supply chains which are registered and approved by Utz Certified, the Fairtrade Labelling Organisation, the Rainforest Alliance and organic schemes. In local communities, we have active partnerships with some of our major customers and roasters as well as NGOs, where we provide practical assistance to farmers in promoting sustainable coffee production, which includes yield improvements, implementation of Good Agricultural Practices, certification, renovation of coffee trees and infrastructure.

In the wider arena, ED&F Man is committed to encouraging its suppliers and customers to act responsibly in support of ethical and sustainable agricultural practices.

ED&F Man and Charitable Donations

Charitable Activities at ED&F Man

ED&F Man has two separate methods by which we seek to make a positive contribution to people's lives around the world:

(a) ED&F Man's charitable funds, donated solely by the Company and administered by The Charitable Donations Committee; and

(b) The ED&F Man Relief Fund, which is a vehicle for collecting and administering donations to people in need of assistance as a result of natural disasters such as earthquakes, hurricanes etc. In 2014 this fund will be used to assist victims of the typhoon in the Philippines.

The Charitable Donations Committee manages the Group's charitable funds. Our aims are to look after the needs of young and elderly people, to support educational and health projects, and where possible to link into our Corporate Social Responsibility aims in looking after the environment for future generations and in helping people to have a decent life. We prefer to concentrate on those countries where ED&F Man has offices, and we like our employees to take ownership of a project, for example by volunteering to get something done, to make it happen and to keep it going.

Our Charitable Donations budget is split into two different initiatives and in both we favour employee involvement.

We match employee fundraising up to an agreed amount. In the year under review these have included sporting endeavours on behalf of many different charities, and employee fundraising for other good causes, not only in the UK but in other countries where we have offices.

The remaining budget is available for worldwide distribution in those regions where we operate and is distributed on a project-driven basis, with a bias towards providing help for the most deserving causes where we can make a tangible difference to people's lives.

During the financial year ended 30 September 2013 we provided help in the following ways:

- Honduras: Providing ecological stoves and water purifiers for farmers with whom our Coffee team is working on a certified coffee programme. The stoves provide a cleaner energy source and help to reduce the incidence of respiratory disease caused by drinking and cooking with contaminated water, thereby improving living conditions for 100 families.
- Peru: At three schools:
    - Providing materials for building repairs, new sanitation facilities and classroom equipment;
    - Renovations and a new roof;
    - Building and equipping a new playing field and playground.

- Guatemala: Building a hygienic facility to cook and store food in a school, where the children eat their main meal of the day. Construction of a kitchen and adequate flooring in a second school.
- Uganda: Providing 90 admission beds, mattresses and blankets for post natal facilities at six health centres.
- Sponsoring lifesaving heart surgery for a child from Uganda at a specialist hospital in New Orleans. So far we have supported seven children from countries where such surgery is unavailable.

human need?

ED&F **man's concern**

Strategic Report
for the year ended 30 September 2013

Principal activities, business review and future developments

The Group's primary business is the sourcing and delivery worldwide of sugar, molasses and coffee to end-users which include food and beverage manufacturers, farmers and other industrial users. As part of this business, it also trades in the related forward markets and on regulated futures exchanges. Integrated within these activities, the Group has assets devoted to storage, sugar refining, shipping and product preparation for specific markets.

The Group also acts as a broker in Europe, the USA and the Middle and Far East, providing third party clients with fast, cost effective trade execution, hedging and clearing services across multiple products, markets and regions. This activity has continued to expand during the year with increases in the scope of regulated 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 16 and 17 to the financial statements. Note 17 also describes the Group's financial risk management objectives and policies, and details its financial instruments and hedging activities, and exposures to credit risk and liquidity risk.

The Board monitors performance on an on-going basis. The key performance indicators are considered to be return on equity and profitability. Return on equity (defined as the ratio of profit on ordinary activities before taxation over net assets at the beginning of the accounting period, expressed as a percentage) at 30 September 2013 was 21.5% (2012: 11.7%), and profitability (defined as profit on ordinary activities before taxation) was $205.5 million (2012: $80.2 million).

On 7 January 2013 the Group acquired the North American animal feed business and certain bulk liquid storage facilities from its associate company Westway Group Inc. for a cash consideration of $112.1 million. Following this transaction, on 31 January 2013, the Group completed the sale of its investment in Westway Group Inc. This resulted in a realised pre-tax gain of $95.4 million.

In October 2013 the Group completed the sale of its interest in joint venture SFIR Raffineria di Brindisi S.p.A. The Group had committed to sell this investment in 2012 as a pre-requisite for obtaining The European Commission's approval for Südzucker Holding GmbH to acquire an equity stake in the Group. A full provision for $39.5 million has been made in the 2013 profit and loss account for the effect of this disposal, based on the final sales proceeds and including all costs related to the disposal as set out in note 5.

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.

The details of post balance sheet events are set out in note 33 to the financial statements.

As noted in last year's financial statements, in 2012 the holder of the Company's "A" Preference shares advanced a $30 million loan to the Group which is convertible to one "A" Preference share on condition that certain future performance targets are met. This loan has to date been accounted for fully as a financial liability, and is presented as a creditor falling due within one year in the Group Balance Sheet as at 30 September 2013. The results shown in the 2013 Group Profit and Loss Account confirm that these performance targets will be met and following approval of these financial statements and the issuing of an audit opinion thereon, the $30 million loan will be fully settled by the issue of one "A" Preference share. This will have the effect of reducing creditors falling due within one year by $30 million and increasing share premium by $30 million.

Financial risks

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 is responsible for approving all risk limits and for overseeing adherence to those limits throughout the Group.

By order of the Board

RICHARD ASKEW
Secretary

3 December 2013

Directors' Report
for the year ended 30 September 2013

The directors present their report and audited financial statements for the year to 30 September 2013.

Results and dividends

The audited financial statements of the Group are shown on pages 23 to 56.

The profit after taxation and before minority interests for the year to 30 September 2013 amounted to $131.7 million (2012: $57.7 million). The directors do not recommend the payment of an ordinary dividend (2012: $Nil). During the year a preference dividend of $1.9 million was paid (2012: $Nil).

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

Financial risks and future developments

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

Employees

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

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

Donations

During the year the Group made charitable donations of $0.4 million and no political donations.

Charitable donations are described further in the report on pages 14 and 15.

Directors

The Board consists principally of non-executive directors.

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

Mrs Mary Wilhelmina Harvey
Mr Laurie Peter Adrian Foulds
Dr Wolfgang Helmut Heer
Mr Francois Jan Lavooij
Mr Rafael Fernando Muguiro
Mr Ross George Reason
Mr Daniel Howard Rosenblum
Mr Niels Vesterdal

Disclosure of information to auditors

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the 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.

Directors' Report
continued

Going concern
As highlighted in note 17 to the financial statements, the Group meets its day-to-day working capital requirements through various sources of short and medium-term finance. Facilities of $1,775 million are due for renewal in 2014. The Group's banks have provided committed loan facilities for many years. Discussions have commenced with these banks to renew facilities at the levels required to maintain the Group's business. These discussions have not revealed any matters which would suggest that renewal may not be forthcoming on acceptable terms and at acceptable levels.

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

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

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

By order of the Board

RICHARD ASKEW
Secretary

3 December 2013

Independent Auditor’s Report
to the members of E D & F Man Holdings Limited

We have audited the financial statements of E D & F Man Holdings Limited for the year ended 30 September 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Reconciliation of Movements in Equity Shareholders’ Funds, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors’ Responsibilities Statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group’s and the parent company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 30 September 2013 and of the group’s profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor’s Report
continued

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Ernst & Young LLP
Andrew Walton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

3 December 2013

Group Profit and Loss Account
for the year ended 30 September 2013

	Note	30 September 2013 $m	30 September 2012 $m
Gross profit		576.6	383.2
Operating expenses		(362.8)	(275.3)
Group operating profit	2	213.8	107.9
Share of operating profit from:			
Joint ventures		3.3	8.0
Associates		17.3	53.1
Total operating profit: Group and share of joint ventures and associates		234.4	169.0
Profit on disposal of investments	5	100.7	0.9
Profit on disposal of fixed assets	5	3.0	0.5
Provision against investments	5	(39.6)	(0.4)
Profit on ordinary activities before investment income, interest and taxation		298.5	170.0
Investment income		–	0.4
Net interest payable and similar charges	6	(93.0)	(90.2)
Profit on ordinary activities before taxation		205.5	80.2
Taxation	7	(73.8)	(22.5)
Profit on ordinary activities after taxation		131.7	57.7
Minority interest		(6.6)	(6.9)
Retained profit	21	**125.1**	**50.8**

All disclosures relate to continuing operations.

Group Statement of Total Recognised Gains and Losses

for the year ended 30 September 2013

	Note	30 September 2013 $m	30 September 2012 $m
Retained profit arising from:			
Group		122.7	12.8
Joint ventures		1.1	2.5
Associates		1.3	35.5
		125.1	50.8
Currency translation difference on retranslation of net assets of subsidiary undertakings		(2.6)	0.9
Recycled foreign currency translation net losses		–	(0.1)
Currency translation difference on net investment hedges		(4.2)	3.3
Actuarial gain recognised on defined benefit schemes	4	0.9	0.9
Revaluation of identifiable assets and liabilities acquired from associate	12	15.8	–
Tax on disposal of investment in associate	5	(15.5)	–
Share of associate tax		(5.1)	–
Gain on available for sale investment recycled to profit and loss account on disposal		(1.7)	–
Revaluation of fixed assets on minority interest buy-out		1.5	–
Change in fair value of assets classified as available for sale	11	6.6	(4.5)
Dividend paid on “A” preference shares		(1.9)	–
Unrealised gain on disposal of fixed assets		–	0.6
Effective portion of changes in fair value of cash flow hedges		0.5	(0.5)
Share of associates’ effective portion of changes in fair value of cash flow hedges		1.0	12.8
Total recognised gains in the period		**120.4**	**64.2**
Group		121.3	17.2
Joint ventures		1.1	2.5
Associates		(2.0)	44.5
Total recognised gains in the period		**120.4**	**64.2**

Group Reconciliation of Movements in Equity Shareholders’ Funds

for the year ended 30 September 2013

	30 September 2013 $m	30 September 2012 $m
Total recognised gains	120.4	64.2
Issue of shares and associated premium	(3.3)	164.8
Proceeds on sale of own shares	2.0	84.7
Purchase of own shares	(34.6)	(74.1)
Reserve credit in relation to share-based payment plans	27.5	19.6
Share of changes in associates’ equity	–	(0.4)
Net increase in equity shareholders’ funds	112.0	258.8
Opening equity shareholders’ funds	890.1	631.3
Closing equity shareholders’ funds	**1,002.1**	**890.1**

Group Balance Sheet

as at 30 September 2013

	Note	$m	30 September 2013 $m	$m	30 September 2012 $m
Fixed assets					
Intangible fixed assets	8		34.9		15.2
Tangible fixed assets	9		287.2		181.9
Investments in joint ventures	10				
Share of gross assets		222.4		172.0	
Share of gross liabilities		(144.8)		(80.3)	
			77.6		91.7
Investments in associates	10		319.8		465.5
Available for sale investments	11		37.4		51.2
			756.9		805.5
Current assets					
Stocks	13		872.0		874.5
Debtors	14		1,527.6		1,043.7
Derivative financial instruments	17		1,309.2		491.3
Marketable securities	17		136.9		57.7
Deferred taxation	7		20.5		34.0
Cash at bank and in hand			228.0		308.5
			4,094.2		2,809.7
Creditors: amounts falling due within one year					
Trade and other payables	15		(1,359.1)		(788.9)
Loans and overdrafts	16		(835.0)		(845.2)
Derivative financial instruments	17		(1,137.1)		(447.7)
Other financial instruments	17		(96.5)		(59.7)
			(3,427.7)		(2,141.5)
Net current assets			**666.5**		**668.2**
Total assets less current liabilities			**1,423.4**		**1,473.7**
Creditors: amounts falling due after more than one year					
Trade and other payables	15		(5.7)		(5.9)
Loans and overdrafts	16		(304.8)		(481.6)
Derivative financial instruments	17		(19.8)		(10.2)
			(330.3)		(497.7)
Provisions for liabilities	18		(14.8)		(17.8)
Defined benefit pension liability	4		(0.9)		(2.3)
Net assets			**1,077.4**		**955.9**
Capital and reserves					
Called up share capital	19		138.2		138.2
Preference share capital	19		46.1		46.1
Share premium	20		138.0		141.3
Other reserves	21		17.2		0.3
Profit and loss account	21		662.6		564.2
Shareholders' funds attributable to equity shareholders of E D & F Man Holdings Limited			1,002.1		890.1
Minority equity interests			75.3		65.8
			1,077.4		**955.9**

Approved by the Board of Directors on 3 December 2013.

RAFAEL MUGUIRO
Chief Executive

LAURIE FOULDS
Finance Director

Group Cash Flow Statement
for the year ended 30 September 2013

	Note	30 September 2013 $m	30 September 2012 $m
Net cash inflow from operating activities	23(a)	185.3	477.0
Dividends from associates		10.7	8.1
Returns on investments and servicing of finance:			
Interest paid		(93.9)	(88.9)
Interest received		7.5	8.9
Dividends from other investments		–	3.6
Dividends paid		(1.9)	–
Taxation:			
UK corporation tax		(1.7)	(0.6)
Overseas taxation		(73.5)	(23.0)
Capital expenditure and financial investment:			
Purchase of fixed assets		(56.0)	(28.3)
Proceeds on sale of fixed assets		4.2	2.5
Cash flow from sale of investments		346.7	5.3
Purchase of investments		(184.8)	(24.7)
Net cash inflow before financing		142.6	339.9
Financing:			
Decrease in borrowings	24	(187.9)	(343.5)
Purchase of own shares		(34.6)	(74.1)
Proceeds on sale of own shares		2.0	84.7
Issue of shares and associated premium		(3.3)	164.8
(Decrease) / Increase in cash		**(81.2)**	**171.8**

Company Balance Sheet
as at 30 September 2013

	Note	30 September 2013 $m	30 September 2012 $m
Fixed assets			
Investments	26	259.4	259.4
Current assets			
Debtors	27	258.3	251.7
Cash at bank and in hand		12.2	3.5
		270.5	255.2
Creditors: amounts falling due within one year	28	(95.2)	(57.9)
Net current assets		175.3	197.3
Total assets less current liabilities		434.7	456.7
Creditors: amounts falling due after more than one year	28	–	(30.0)
Net assets		**434.7**	**426.7**
Capital and reserves			
Called up share capital	19	138.2	138.2
Preference share capital	19	46.1	46.1
Share premium	20	138.0	141.3
Capital redemption reserve	29	14.5	14.5
Profit and loss reserve	29	97.9	86.6
Shareholders' funds attributable to equity interests	30	**434.7**	**426.7**

Approved by the Board of Directors on 3 December 2013.

RAFAEL MUGUIRO
Chief Executive

LAURIE FOULDS
Finance Director

Accounting Policies
for the year ended 30 September 2013

Basis of accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, certain stocks and financial instruments, in accordance with the Companies Act 2006 and applicable UK accounting standards.

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and all its subsidiary undertakings for the year ended 30 September 2013. All companies over which the Group is able to exercise a dominant influence are consolidated as subsidiary undertakings. Dominant influence is defined as the right to give directions with respect to operating and financial policies; this includes companies which the Group holds call options over. In accordance with section 408 of the Companies Act 2006, a profit and loss account has not been presented for the Company. In accordance with FRS 1 (revised 1996), a cash flow statement has not been presented for the Company.

Foreign currencies

Group

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 and loss account.

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

All other translation differences are taken to the profit and loss account 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 FRS 26. In these circumstances, the translation differences are taken directly to the translation reserve and are shown in the statement of total recognised gains and losses.

Company

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

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

Revenue recognition

Revenue arising from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, customs duties and sales taxes. Revenue arising from services, such as brokerage or commission fees, is recognised when the right to receive the revenue has been established and it is probable economic benefits will flow to the group.

Leases

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

Investment income

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

Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the net assets acquired. Positive goodwill is capitalised, categorised as an asset on the balance sheet and amortised over its estimated useful economic life, not exceeding 20 years, on a straight-line basis. Negative goodwill is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered through depreciation or sale.

Impairment of goodwill

The Group reviews positive goodwill for impairment at the end of the first full financial year following an acquisition or more frequently if circumstances indicate that the carrying amount of goodwill may not be recoverable. 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. If goodwill arising on consolidation is found to be impaired, the carrying amount of the investment held in the accounts of the parent company is also reviewed for impairment.

Tangible fixed assets

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

Depreciation

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

Freehold buildings	20 to 50 years
Leasehold land and buildings	life of the lease
Equipment and vehicles	3 to 20 years

Freehold land is not depreciated.

Fixed asset investments – Group

Group – Joint ventures and associates

A joint venture is an entity in which the Group holds an interest 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 gross 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 associated 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.

Group – Available for sale investments

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

Available for sale investments which do not have a quoted market price are held at cost less provisions for impairment, if appropriate.

Fixed asset investments – Company

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

Impairment

The carrying values of fixed 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 and loss account when the carrying value of the asset exceeds its estimated recoverable amount. The estimated recoverable amount is defined as the higher of the net realisable value and value in use. The value in use is determined by reference to estimated future discounted cash flows.

Accounting Policies
continued

Stocks

Stocks 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 stocks 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.

Stocks held for trading are recorded at fair value at the balance sheet date on a basis consistent with derivative financial instruments under FRS 26. The directors consider that this accounting treatment gives a true and fair view of the Group's results for the year.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or to receive more tax with the following exceptions:

(a) Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

(b) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Cash

Cash as presented in the Group Cash Flow Statement comprises cash in hand and cash placed in overnight deposit accounts.

Interest-bearing loans and borrowings

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

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 and loss account, net of any reimbursement.

Contingent assets

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

Share capital

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

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

Financial instruments

Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments or available for sale financial assets depending on the purposes for which the financial assets are held. Financial assets are initially recognised at fair value, including directly attributable costs. Subsequently financial assets are carried at fair value (assets held for trading, derivatives and marketable securities) or at amortised cost less impairment (accounts receivable, advances and loans).

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

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

FRS 26 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. FRS 26 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 and loss account.

Physical commodity contracts fall into two types:

– those which meet the definition of a DFI; and

– those which meet the "own use" exemption and are outside of the scope of FRS 26.

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 gross profit in the profit and loss account. Gains or losses on forward commodity contracts are shown within derivative financial instruments debtors or creditors, as appropriate. Gains and losses are only netted to the extent that there is a legal right of set off, or industry practice is to offset gains and losses with the same counterparty, and the Group has the intention to net settle these amounts.

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

The Group's valuation strategy for derivatives and other financial instruments utilises, as far as possible, quoted prices in an active market. Valuations fall into 3 levels of reliability:

Level 1 - utilises quoted prices on an active market for an identical asset or liability;

Level 2 - utilises quoted prices in an active market for similar products or derives the valuation from other observable inputs;

Level 3 - where a market price for a similar product is not observable, the valuation uses inputs based on internal models or other valuation techniques.

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 and loss account but is deferred on the balance sheet. The deferred gain or loss is recognised in the profit and loss account 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 and loss account. Changes in valuation from this initial valuation are recognised immediately through the profit and loss account.

Physical commodity contracts entered into and held for the purpose of the Group's own use (predominantly in operations where a significant degree of processing and conversion of the product occurs) qualify for the "own use" exemption in FRS 26 and are outside the scope of the standard. Gains or losses on these contracts are recognised in the profit and loss account when the underlying physical contracts occur or mature. The Group defers unrealised profits net of losses at each balance sheet 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 the statement of total recognised gains and losses, while any ineffective portion is immediately recognised in the profit and loss account. Amounts taken to the statement of total recognised gains and losses are transferred to the profit and loss account 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 the statement of total recognised gains and losses.

Pensions

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

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

Accounting Policies
continued

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the profit and loss account as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of total recognised gains and losses in the period in which they occur.

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

Employee share option schemes

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

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

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

Any difference between the proceeds of sale of own shares and their costs is taken directly to the profit and loss reserve. Consideration paid or received for the purchase or sale of the Company's own shares by employee trusts is shown in the reconciliation of movements in shareholders' funds. Further details of employee trusts are presented in note 22.

Significant accounting judgements, estimates and assumptions

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

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

Valuation of financial instruments

All financial instruments not qualifying for the "own use" exemption are recorded at fair value and split into three hierarchy levels based on their valuation methodology, as per FRS 26. Refer to note 17 for further information.

Management evaluates the basis on which this allocation has been made.

Impairments

The carrying values of assets (including goodwill) are reviewed for impairment if events or changes in circumstance indicate the carrying amount may not be recoverable. 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 net realisable value and 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.

Provisions

Provisions recognised in the balance sheet reflect management's best estimate of the amounts required to settle the related liability. Management assesses liabilities and contingencies based upon the current information available, relevant tax laws and other appropriate requirements.

Notes to the Financial Statements
for the year ended 30 September 2013

1. Turnover and segmental analysis

During the prior year the Group expanded its brokerage activity. As a result of this expansion two dedicated management committees have been in operation throughout the current year: The Commodities Committee and The Financial Services Committee.

The Group considers it appropriate to amend its reportable business segments to reflect the revised management structure: Agricultural Commodities and Brokerage. Prior year comparatives have been restated.

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

Segmental analysis of net assets

	30 September 2013 $m	30 September 2012 $m
Business segment		
Agricultural Commodities	885.1	780.3
Brokerage	192.3	175.6
	1,077.4	**955.9**
Geographical area		
Europe	542.3	484.3
The Americas	311.4	332.4
Rest of the World	223.7	139.2
	1,077.4	**955.9**

Segmental analysis of profit on ordinary activities before taxation

	30 September 2013 $m	30 September 2012 $m
Business segment		
Agricultural Commodities	179.2	86.4
Brokerage	26.3	(6.2)
	205.5	**80.2**
Geographical area		
Europe	25.3	57.6
The Americas	134.3	7.7
Rest of the World	45.9	14.9
	205.5	**80.2**

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

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of sales taxes. Due to the nature of the Group's activities, figures for turnover are not considered a valid measure of activity.

Group turnover for the year to 30 September 2013 was $9,139.8 million (30 September 2012: $9,083.5 million). The Group's share of the turnover of joint ventures and associates was $707.1 million (30 September 2012: $1,059.5 million).

Notes to the Financial Statements
continued

2. Operating profit

Operating profit is stated after charging / (crediting):

		30 September 2013 $m	30 September 2012 $m
Depreciation of owned tangible fixed assets		27.9	16.2
Amortisation of intangible fixed assets		2.4	1.4
Expenses arising from share option plans		27.5	19.6
Foreign exchange translation gain		(1.7)	(2.3)
Auditors' remuneration	– auditing of accounts	3.0	2.3
	– taxation compliance services	0.3	–
	– other services	0.4	0.1
Operating lease rentals	– plant and machinery	14.2	14.7
	– land and buildings	10.3	8.5

3. Directors' emoluments

	30 September 2013 $m	30 September 2012 $m
Emoluments	12.0	10.1
Amounts awarded in respect of long-term incentive schemes	4.5	2.4
Amounts charged in respect of pension schemes	0.1	0.1
Amounts paid to third parties in respect of directors' services	0.1	–

	30 September 2013 Number	30 September 2012 Number
Members of money purchase pension schemes	2	2
Members of defined benefit schemes	–	–
Directors who were granted share options in the year	2	2
Directors who exercised share options in the year	2	1

The amounts in respect of the highest paid director are as follows:

	30 September 2013 $m	30 September 2012 $m
Emoluments	7.9	6.3
Amounts charged in respect of pension schemes	–	–

The highest paid director exercised share options during the year and received shares under the Group's long-term incentive scheme.

4. Personnel costs and retirement benefits

	30 September 2013 $m	30 September 2012 $m
Wages and salaries	230.1	170.1
Social security costs	25.5	18.7
Other pension costs	8.7	7.1
	264.3	**195.9**

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

	30 September 2013 Number	30 September 2012 Number
Trading and administration	1,431	1,057
Industrial and seasonal	2,201	2,071
	3,632	**3,128**

Pension arrangements

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 and loss account as incurred and at the balance sheet date there were no outstanding or prepaid contributions.

In addition, the Group operates three defined benefit schemes: one in the US, one in Germany and one in Japan.

The US scheme is funded and the cost of providing pension benefits is calculated on an actuarial basis and charged to the profit and loss account to spread the cost of the scheme over the service lives of employees. The scheme was frozen as of 1 July 2005. Employee entitlements in the frozen scheme will continue to earn interest under the original terms of the plan. A full actuarial valuation of the scheme was performed on 24 October 2013 to determine the position as at 30 September 2013. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by published brokers' forecasts to each category of scheme assets.

The obligations in Germany and Japan are unfunded and only the German scheme has a full actuarial valuation.

	30 September 2013 %	30 September 2012 %
Main assumptions:		
Rate of salary increases	Nil – 2.0	Nil – 2.0
Discount rate	3.60 – 3.75	3.75 – 4.0
Expected rate of return on scheme assets	7.0	7.0
Inflation assumption	2.0 – 2.5	2.0 – 2.8

4. Personnel costs and retirement benefits (continued)

The assets and liabilities of the schemes at 30 September are:

	30 September 2013 $m	30 September 2012 $m
Fair value of scheme assets	11.6	10.8
Present value of scheme liabilities	(12.5)	(13.1)
Net liability in the balance sheet	**(0.9)**	**(2.3)**

The scheme assets consist of cash and cash equivalents, 2% (2012: 4%), equity instruments, 65% (2012: 59%) and bonds, 33% (2012: 37%).

There were no unrecognised past service costs or related deferred tax assets for the year (2012: $Nil).

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 amount recognised in the Group Profit and Loss account relating to the expected return on scheme assets less interest costs for the year is $0.2 million (2012: $Nil). There were no past or current service costs arising during the year (2012: $Nil). The actuarial gains and losses recognised in the Group Statement of Total Recognised Gains and Losses relating to the actual return on scheme assets less the expected return on scheme assets for the year are $0.9 million (2012: $0.9 million).

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses to 30 September 2013 is $1.9 million (2012: $2.8 million).

The total contributions to the defined benefit plans in the next year are expected to be $0.4 million (2012: $0.7 million).

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

5. Disposals and provision against investments

	30 September 2013 $m	30 September 2012 $m
Profit on disposal of investments	100.7	0.9
Profit on disposal of fixed assets	3.0	0.5
Provision against investments	(39.6)	(0.4)
	64.1	**1.0**

30 September 2013

On 31 January 2013, the Group completed the sale of its investment in its associate, Westway Group Inc. This resulted in a realised pre-tax gain of $95.4 million.

Provision against investments includes $39.5 million in respect of the Group's investment in joint venture SFIR Raffineria di Brindisi S.p.A. In 2012, as a pre-requisite to obtain The European Commission's approval for Südzucker Holding GmbH to acquire an equity stake in the Group, a commitment was given by the Group to dispose of its interest in this joint venture. Negotiations to sell this investment have continued throughout the financial year and the sale completed in October 2013. The provision is based on the final sales proceeds and includes all costs related to the disposal.

30 September 2012

During the prior year there were no material disposals or provisions against investments.

Tax effect relating to disposals and provision against investments

The total tax effect relating to the disposal of fixed assets and provision against investments in the profit and loss account is $33.4 million (2012: $0.2 million) and the tax effect in the statement of total recognised gains and losses is $15.5 million (2012: $Nil).

This principally represents the crystallisation for tax purposes of gains on the disposal of Westway Group Inc. These gains were recognised in both the profit and loss account and in the statement of total recognised gains and losses in 2009 when the Group transferred its North American animal feed and bulk liquid storage businesses to Westway Group Inc. The taxation charge on disposal has therefore been recognised in both the profit and loss account and in the statement of total recognised gains and losses in the current year.

6. Net interest payable and similar charges

	30 September 2013 $m	30 September 2012 $m
Bank loans and overdrafts	92.7	90.1
Interest receivable	(8.4)	(9.5)
Group net interest payable and similar charges	84.3	80.6
Share of interest from associates and joint ventures	8.7	9.6
	93.0	**90.2**

7. Taxation

	30 September 2013 $m	30 September 2012 $m
Tax on profit on ordinary activities		
UK corporation tax	9.2	–
Prior year adjustments	5.6	3.4
Relief for overseas taxation	(1.7)	–
UK tax	13.1	3.4
Overseas current tax	41.7	24.7
Overseas prior year adjustments	(2.2)	2.2
Overseas tax	39.5	26.9
Group current taxation	52.6	30.3
Share of tax from associates and joint ventures	7.7	10.0
Total current taxation	60.3	40.3
Deferred taxation:		
Origination and reversal of timing differences	13.5	(17.8)
Tax on profit on ordinary activities	**73.8**	**22.5**

	30 September 2013 $m	30 September 2012 $m
Reconciliation of the taxation charge		
Profit before tax	205.5	80.2
Profit at UK tax rate of 23.5% (2012: 25.0%)	48.3	20.0
Capital allowances higher than depreciation	(4.1)	(1.2)
Other timing differences	(8.2)	1.3
Expenses not deductible for tax purposes	4.8	5.3
Adjustment for different overseas tax rates	6.5	(0.7)
Adjustment in relation to prior years	3.4	5.6
Utilisation of tax losses brought forward	(9.1)	(7.1)
Current year tax losses not recognised	10.8	17.1
Disposal of investments	2.4	–
Provision against investments	5.5	–
Total current taxation	**60.3**	**40.3**

Notes to the Financial Statements
continued

7. Taxation (continued)

Factors affecting the tax charge

The Group operates in countries where the tax rate is different from the UK corporation tax rate. As at 30 September 2013, the Group had overseas tax losses estimated to be $113.0 million (2012: $85.0 million) not recognised as deferred tax assets. The Group is currently unable to utilise these losses to offset taxable profits elsewhere in the Group.

Deferred taxation

	30 September 2013 $m	30 September 2012 $m
Opening balance	34.0	16.4
(Charged)/credited during the period	(13.5)	17.8
Disposals	–	(0.2)
Closing balance	**20.5**	**34.0**

Analysis of deferred taxation

	30 September 2013 $m	30 September 2012 $m
In respect of tax allowances over depreciation	(13.7)	(9.9)
In respect of recognition of fair value gains and losses	(20.0)	(18.0)
In respect of tax losses	33.0	51.0
In respect of other timing differences	21.2	10.9
Deferred tax asset	**20.5**	**34.0**

8. Intangible fixed assets

	Positive Goodwill $m	Negative Goodwill $m	Total $m
Cost			
At 1 October 2012	30.3	(5.3)	25.0
Acquisition of subsidiary undertakings	22.1	–	22.1
At 30 September 2013	**52.4**	**(5.3)**	**47.1**
Amortisation			
At 1 October 2012	(14.8)	5.0	(9.8)
Charge for the year	(2.4)	–	(2.4)
At 30 September 2013	**(17.2)**	**5.0**	**(12.2)**
Net book value			
At 30 September 2013	**35.2**	**(0.3)**	**34.9**
At 30 September 2012	**15.5**	**(0.3)**	**15.2**

Positive goodwill is amortised evenly over the directors' estimate of its useful economic life, not exceeding 20 years. Negative goodwill is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered through depreciation or sale.

9. Tangible fixed assets

	Land and Buildings Freehold $m	Leasehold $m	Equipment & Vehicles $m	Total $m
Cost				
At 1 October 2012	51.0	7.6	223.4	282.0
Additions	10.6	4.3	41.1	56.0
Acquisition of subsidiary undertakings	11.8	0.4	65.7	77.9
Disposals	(1.0)	(0.1)	(5.2)	(6.3)
Currency translation difference	0.1	–	0.5	0.6
At 30 September 2013	**72.5**	**12.2**	**325.5**	**410.2**
Accumulated depreciation				
At 1 October 2012	(6.7)	(5.1)	(88.3)	(100.1)
Charge for the year	(5.6)	(1.9)	(20.4)	(27.9)
Disposals	0.6	–	4.5	5.1
Currency translation difference	–	–	(0.1)	(0.1)
At 30 September 2013	**(11.7)**	**(7.0)**	**(104.3)**	**(123.0)**
Net book value				
At 30 September 2013	**60.8**	**5.2**	**221.2**	**287.2**
At 30 September 2012	**44.3**	**2.5**	**135.1**	**181.9**

The net book value of leasehold properties includes $4.8 million (2012: $2.0 million) in respect of leases with less than 50 years to run.

The aggregate cost of tangible fixed assets includes $1.6 million of capitalised borrowing costs, including $0.4 million of borrowing costs capitalised within additions at a rate of 5%. The amount of capitalised borrowing costs included within the depreciation charge for year was $0.2 million.

Notes to the Financial Statements
continued

10. Investments in associates and joint ventures

	Joint Ventures $m	Associates Unlisted $m	Associates Listed $m	Total $m
Cost				
At 1 October 2012	91.7	159.8	311.1	562.6
Additions	7.5	45.0	–	52.5
Disposal	–	–	(180.0)	(180.0)
Share of retained result	1.1	(15.2)	8.6	(5.5)
Currency translation difference	(0.8)	(5.0)	–	(5.8)
At 30 September 2013	**99.5**	**184.6**	**139.7**	**423.8**
Positive goodwill at cost less amortisation and impairment				
At 1 October 2012	–	13.0	–	13.0
Charge for the year	–	(0.9)	–	(0.9)
At 30 September 2013	**–**	**12.1**	**–**	**12.1**
Negative goodwill at cost less write-back				
At 1 October 2012	–	(6.9)	(4.6)	(11.5)
Released in year	–	0.7	1.1	1.8
At 30 September 2013	**–**	**(6.2)**	**(3.5)**	**(9.7)**
Amounts written off				
At 1 October 2012	–	(6.9)	–	(6.9)
Written off in year	(21.9)	–	–	(21.9)
At 30 September 2013	**(21.9)**	**(6.9)**	**–**	**(28.8)**
Net book value				
At 30 September 2013	**77.6**	**183.6**	**136.2**	**397.4**
At 30 September 2012	**91.7**	**159.0**	**306.5**	**557.2**

Details of the principal Group associates and joint ventures are given in note 34.

Additional disclosures are given in respect of the aggregate of the Group's associates due to exceeding certain 15% thresholds under FRS 9 'Associates and Joint Ventures', as follows:

	30 September 2013 $m	30 September 2012 $m
Fixed assets	317.1	529.8
Current assets	367.6	309.9
Share of gross assets	684.7	839.7
Liabilities due within one year	(326.5)	(264.8)
Liabilities due after more than one year	(38.4)	(109.4)
Share of gross liabilities	(364.9)	(374.2)
Share of net assets	**319.8**	**465.5**
Turnover – share of associates	528.4	785.7

11. Available for sale investments

	Unlisted $m	Listed $m	Total $m
Cost			
At 1 October 2012	27.3	24.6	51.9
Additions	5.5	0.4	5.9
Disposals	–	(26.8)	(26.8)
Revaluation	–	6.6	6.6
Currency translation difference	0.6	(0.3)	0.3
At 30 September 2013	**33.4**	**4.5**	**37.9**
Amounts provided			
At 1 October 2012	(0.1)	(0.6)	(0.7)
Disposals	–	0.2	0.2
At 30 September 2013	**(0.1)**	**(0.4)**	**(0.5)**
Net book value			
At 30 September 2013	**33.3**	**4.1**	**37.4**
At 30 September 2012	**27.2**	**24.0**	**51.2**

During the year the Group disposed of its listed investment in Renewable Energy Group Inc.

12. Acquisitions

On 7 January 2013 the Group acquired the North American animal feed business and certain bulk liquid storage facilities from its associate company Westway Group Inc. for a cash consideration of $112.1 million.

Prior to the purchase of these businesses, the Group had effectively held a 49.5% share of the net assets of these businesses within the carrying value of the associate. Consequently the Group is recognising goodwill only on the 50.5% of the businesses effectively acquired in this transaction – $4.3 million. This is a departure from the requirements of companies legislation which would require 100% of the goodwill to be recognised, but the directors consider this departure necessary to give a true and fair view of the transaction.

The Group is also recognising 49.5% of the revaluation of the identifiable assets and liabilities to their fair value on acquisition ($15.8 million) through a revaluation reserve, since this represents a revaluation of assets effectively held by the Group within the carrying value of the associate prior to this transaction.

Prior to the acquisition, the North American animal feed business and the storage facilities acquired were integrated into the vendor's total activities not all of which were acquired. It is not practical to determine reliably the pre-acquisition results of the acquired businesses.

Net assets at date of acquisition:

	Book Value $m	Revaluation Adjustments $m	Fair Value to Group $m
Tangible fixed assets	41.3	32.4	73.7
Stocks	15.2	–	15.2
Debtors < 1 year	42.4	–	42.4
Cash and bank	4.9	–	4.9
Creditors	(29.5)	(0.5)	(30.0)
	74.3	**31.9**	**106.2**

The fair values have been determined on a provisional basis as at 30 September 2013. There have been no UK GAAP policy alignments in reaching these fair values.

Notes to the Financial Statements
continued

12. Acquisitions (continued)

	$m
Purchase consideration	112.1
Fair value of net assets acquired	(106.2)
Total goodwill (excluding transaction costs)	5.9

50.5% of goodwill of acquired businesses (excluding transaction costs)	3.0
Transaction costs	1.3
Goodwill on acquisition	4.3

During the year the Group acquired a 100% interest in Bauche S.A., a sugar trading business; a 100% interest in MPS Global Securities LLC, a broker-dealer in securities; and a 51% interest in Royal Ingredients LLC, a manufacturer of speciality sugar products. The effect of these acquisitions is summarised below.

Aggregate net assets at date of acquisition:

	Book Value $m	Revaluation Adjustments $m	Fair Value to Group $m
Tangible fixed assets	2.2	–	2.2
Stocks	6.4	–	6.4
Debtors < 1 year	10.3	(1.1)	9.2
Cash and bank	11.6	–	11.6
Creditors	(14.3)	–	(14.3)
Minority interest	(4.1)	–	(4.1)
	12.1	(1.1)	11.0

The fair value in respect of Royal Ingredients LLC has been determined on a provisional basis as at 30 September 2013. There have been no UK GAAP policy alignments in reaching these aggregate fair values.

	$m
Purchase consideration including transaction costs	28.8
Fair value of net assets acquired	(11.0)
Goodwill	17.8

Purchase consideration includes $2.5 million of deferred consideration which is contingent on meeting post-acquisition performance targets.

13. Stocks

	30 September 2013 $m	30 September 2012 $m
Held for trading	855.0	868.3
Held for own use	17.0	6.2
	872.0	**874.5**

14. Debtors

	30 September 2013 $m	30 September 2012 $m
Amounts falling due within one year		
Trade debtors	792.9	602.9
Amounts owed by joint ventures and associates – trade	125.8	66.9
Other debtors	53.0	53.5
Other taxation and social security costs	51.1	39.1
Margins with exchanges	346.6	145.1
Prepayments	115.5	117.3
	1,484.9	1,024.8
Amounts falling due after more than one year		
Other debtors	42.7	18.9
	1,527.6	**1,043.7**

15. Creditors – trade and other payables

	30 September 2013 $m	30 September 2012 $m
Amounts falling due within one year		
Trade creditors	987.6	504.4
Amounts owed to joint ventures and associates – trade	25.1	4.3
Other taxation and social security costs	33.5	36.6
Margins with exchanges	40.3	46.1
Accruals and deferred income	257.3	189.8
Other creditors	15.3	7.7
	1,359.1	**788.9**

	$m	$m
Amounts falling due after more than one year		
Trade and other payables	**5.7**	**5.9**

16. Loans and overdrafts

	30 September 2013 $m	30 September 2012 $m
Amounts falling due:		
In one year or less	835.0	845.2
In more than one year but less than two years	304.8	481.6
In more than two years but less than five years	–	–
	1,139.8	**1,326.8**

Further details on bank loans and overdrafts are shown in note 17.

Included in amounts falling due in one year or less is a $30 million loan from Südzucker Holding GmbH, which matures on 31 January 2014. See note 19 for further details.

Notes to the Financial Statements
continued

17. Financial instruments and financial risk management

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

	At Fair Value through Profit and Loss $m	Loans and Receivables $m	Available for Sale $m	Cash on Deposit $m	Amortised Cost $m
Financial assets					
Stocks held for trading	855.0	–	–	–	–
Trade and other debtors	–	1,344.4	–	–	–
Derivative financial instruments	1,309.2	–	–	–	–
Marketable securities	136.9	–	–	–	–
Other investments	–	–	37.4	–	–
Cash at bank and in hand	–	–	–	228.0	–
Financial liabilities					
Trade and other creditors	–	–	–	–	(1,324.5)
Loans and overdrafts	–	–	–	–	(1,139.8)
Derivative financial instruments	(1,156.9)	–	–	–	–
Other financial instruments	(96.5)	–	–	–	–
At 30 September 2013	**1,047.7**	**1,344.4**	**37.4**	**228.0**	**(2,464.3)**

	At Fair Value through Profit and Loss $m	Loans and Receivables $m	Available for Sale $m	Cash on Deposit $m	Amortised Cost $m
Financial assets					
Stocks held for trading	868.3	–	–	–	–
Trade and other debtors	–	875.4	–	–	–
Derivative financial instruments	491.3	–	–	–	–
Marketable securities	57.7	–	–	–	–
Other investments	–	–	51.2	–	–
Cash at bank and in hand	–	–	–	308.5	–
Financial liabilities					
Trade and other creditors	–	–	–	–	(747.7)
Loans and overdrafts	–	–	–	–	(1,326.8)
Derivative financial instruments	(457.9)	–	–	–	–
Other financial instruments	(59.7)	–	–	–	–
At 30 September 2012	**899.7**	**875.4**	**51.2**	**308.5**	**(2,074.5)**

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

As at 30 September 2013 marketable securities with a fair value of $26.7 million (2012: $1.8 million) have been sold with a commitment to purchase at a future date. The consideration received has been accounted for as a financial liability and measured at amortised cost.

17. Financial instruments and financial risk management (continued)

The following table shows the fair value of derivative assets, marketable securities and derivative liabilities held for trading, analysed by maturity period and by methodology of fair value estimation. FRS 29 'Financial Instruments: Disclosures' sets out a fair value hierarchy which consists of three levels that describe the methodology of estimation as follows:

Level 1 – using quoted prices in active markets for identical assets or liabilities;

Level 2 – using inputs for the asset or liability, other than quoted prices, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);

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 methods.

	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	1,197.8	0.1	–	–	–	–	1,197.9
Level 2	231.0	14.3	1.7	1.0	0.2	–	248.2
	1,428.8	14.4	1.7	1.0	0.2	–	1,446.1
Financial liabilities							
Level 1	(1,107.4)	(2.3)	–	–	–	–	(1,109.7)
Level 2	(126.2)	(12.9)	(2.8)	(1.8)	–	–	(143.7)
	(1,233.6)	(15.2)	(2.8)	(1.8)	–	–	(1,253.4)
Net fair value 30 September 2013	**195.2**	**(0.8)**	**(1.1)**	**(0.8)**	**0.2**	**–**	**192.7**

	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	331.6	3.2	–	–	–	–	334.8
Level 2	196.6	13.7	3.5	0.4	–	–	214.2
	528.2	16.9	3.5	0.4	–	–	549.0
Financial liabilities							
Level 1	(312.5)	(1.9)	(0.6)	–	–	–	(315.0)
Level 2	(194.9)	(6.8)	(0.5)	(0.4)	–	–	(202.6)
	(507.4)	(8.7)	(1.1)	(0.4)	–	–	(517.6)
Net fair value 30 September 2012	**20.8**	**8.2**	**2.4**	**–**	**–**	**–**	**31.4**

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

Notes to the Financial Statements
continued

17. Financial instruments and financial risk management (continued)

Day-one profit or loss

If at inception of a contract the valuation cannot be supported by observable market data, any gain or loss determined by the valuation methodology is not recognised in the profit and loss account but is deferred on the balance sheet and is commonly known as 'day-one profit or loss'. This deferred gain or loss is recognised in the profit and loss account 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 and loss account. Changes in valuation from this initial valuation are recognised immediately through the profit and loss account. The fair value of contracts not recognised through the profit and loss account at 30 September 2013 was $Nil (2012: $Nil).

Financial risk management objectives and policies

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

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

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

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

Capital management

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

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:

	30 September 2013 $m	30 September 2012 $m
Total net assets attributable to minority interest and equity shareholders	1,077.4	955.9
Less: minority interest	(75.3)	(65.8)
Shareholders' funds attributable to equity shareholders of E D & F Man Holdings Limited	**1,002.1**	**890.1**

17. Financial instruments and financial risk management (continued)

Market risk

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

FRS 29 requires sensitivity analyses that show the effects of hypothetical changes to relevant market risk variables on the Group's profit and loss account. Each type of market risk is subject to varying degrees of volatility. Sensitivity analysis has been calculated using a 5% basis, holding all other variables constant, across each type of market risk. It is important to note that these sensitivities are hypothetical and should not be considered to be predictive of future performance or future price movements.

(a) Commodity price risk

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

For these derivative contracts the sensitivity of the net fair value to an immediate 5% increase or decrease in underlying commodity prices would have been $11.7 million at 30 September 2013 (2012: $11.1 million).

(b) Foreign currency exchange risk

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

(c) Interest rate risk

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 $1,139.8 million (2012: $1,326.8 million) are predominantly denominated in US Dollars, Sterling and Euros. The Group's profit and loss account 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 $5.5 million (2012: $6.3 million) based on the Group's borrowings at the balance sheet date assuming all other factors remained constant for one year.

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

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 debtors 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.

17. 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 debtors, net payment risk, pre-finance and market default exposures, stock limits, cash limits, fixed 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 watchlist of higher risk counterparties is maintained and monitored.

The maximum credit exposure associated with financial assets is equal to the carrying amount, and is 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 debtors and derivative financial instrument movements are presented on a net basis where unconditional netting arrangements are in place with counterparties, and where there is an intent to settle amounts due on a net basis. Gross derivative financial instrument liabilities not netted against derivative financial assets totalled $1,156.9 million (2012: $457.9 million) and are shown in liabilities on the balance sheet.

	30 September 2013 $m	30 September 2012 $m
Maximum credit exposure		
Trade and other debtors	1,344.4	875.4
Derivative financial instruments	1,309.2	491.3
Marketable securities	136.9	57.7
Cash at bank and in hand	228.0	308.5
	3,018.5	**1,732.9**

The Group applies a conservative approach to counterparty risk and counterparty creditworthiness. The credit quality of financial assets is considered to be high. Trade debtors are collected where possible under documentary collections presented through prime banks. The Group may also require collateral or other credit enhancements such as cash deposits, letters of credit, or parent company guarantees to reduce or offset credit risk. As at 30 September 2013, the fair value of such collateral and credit enhancements, including cash deposits, parent company guarantees and letters of credit was $80.0 million (2012: $68.0 million). The amounts disclosed in the financial instruments analysis are shown without the benefit of risk mitigation through insurance, collateral or other credit enhancements.

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

	30 September 2013 $m	30 September 2012 $m
Trade debtors		
Neither impaired nor past due	732.2	496.5
Not impaired and past due in the following periods		
within 30 days	54.2	91.8
31 to 60 days	5.1	11.6
61 to 90 days	0.7	2.1
over 90 days	0.7	0.9
Impaired (net of allowance for credit losses)	–	–
	792.9	**602.9**

17. Financial instruments and financial risk management (continued)

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

	30 September 2013 $m	30 September 2012 $m
Allowance for credit losses		
Balance brought forward	47.6	47.6
Acquisition of subsidiary undertakings	0.5	–
Charge for the year	2.3	7.5
Utilisation	(3.0)	(1.8)
Reversal	(5.2)	(5.7)
Balance carried forward	**42.2**	**47.6**

Liquidity risk

Liquidity risk is the risk that the Group may not be able to settle or meet its obligations on time. The principal objective of the Group's Treasury function is to manage liquidity and interest rate risks. The Group's Treasury function centrally coordinates relationships with banks, borrowing requirements, foreign exchange requirements, and cash management. Other responsibilities include management of the Group's cash resources and structure of borrowings, monitoring of all significant treasury activities undertaken by the Group, benchmarking significant treasury activities, and monitoring banking loan covenants to ensure continued compliance. The Group manages its liquidity risk on a consolidated basis, utilising various sources of finance to maintain flexibility. Unless restricted by local regulations, subsidiaries pool their cash surpluses with Group Treasury which arranges to fund each subsidiary's requirements, invest any surplus in the market, or arrange 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 places surplus cash on short term deposit. In addition, it has various borrowing facilities available. The Group has committed, unsecured facilities of $3,095 million (2012: $3,012 million), which include medium-term multicurrency syndicated facilities of $1,820 million (2012: $1,787 million) and 364 day revolving facilities of $1,275 million (2012: $1,225 million). Together these facilities give the Group flexibility to borrow and repay debt as and when appropriate. Debt drawn under these facilities at 30 September 2013 was $979 million (2012: $1,167 million). The Group had also drawn $56 million (2012: $Nil million) under uncommitted, unsecured facilities.

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 16.

	Trade Creditors $m	Loans and Overdrafts $m	Derivative Financial Instruments $m	Other Financial Instruments $m
Financial liabilities				
Within 1 month	940.8	1,052.4	1,012.3	96.5
1 to 3 months	43.7	54.2	52.7	–
3 months to 1 year	3.1	33.2	72.1	–
1 to 2 years	–	–	15.2	–
2 to 5 years	–	–	4.6	–
At 30 September 2013	**987.6**	**1,139.8**	**1,156.9**	**96.5**

Notes to the Financial Statements
continued

17. Financial instruments and financial risk management (continued)

	Trade Creditors $m	Loans and Overdrafts $m	Derivative Financial Instruments $m	Other Financial Instruments $m
Financial liabilities				
Within 1 month	394.7	1,213.2	326.8	59.7
1 to 3 months	76.4	42.0	53.5	–
3 months to 1 year	33.1	41.6	67.4	–
1 to 2 years	0.2	30.0	8.7	–
2 to 5 years	–	–	1.5	–
At 30 September 2012	**504.4**	**1,326.8**	**457.9**	**59.7**

18. Provisions for liabilities

	Legal Claims $m	Other Provisions $m	Total $m
At 1 October 2012	7.5	10.3	17.8
Acquisition of subsidiary undertakings	–	0.5	0.5
Charged during the year	–	7.6	7.6
Utilised during the year	(0.9)	(3.7)	(4.6)
Written back during the year	(2.4)	(4.1)	(6.5)
At 30 September 2013	**4.2**	**10.6**	**14.8**

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.

Included in other provisions are amounts relating to warranties in respect of specified contingencies arising on the sale of certain assets. 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.

19. Share capital

	Ordinary shares of US$1 each		"A" Preference shares of US$1 each	
	Number	$m	Number	$m
Shares of US $1 each attributable to equity interests				
At 30 September 2012 and 30 September 2013	**138,231,234**	**138.2**	**46,075,089**	**46.1**

During the prior year, Südzucker Holding GmbH ("Südzucker") acquired a 24.99% equity stake in the Group via an issue of new "A" Preference shares and the transfer of Ordinary shares from the E D & F Man Employee Trust 2000 which, immediately prior to transfer, converted to "A" Preference shares.

The "A" Preference shares are non-redeemable, but are convertible to an identical number of Ordinary shares at the option of the holder. The "A" Preference shares attract a preferential dividend of 2% per annum based on the issue price of US $5.5344 per share, subject to approval by the Board of Directors.

Südzucker have also advanced a $30 million loan to the Group, which is convertible to one "A" Preference share on condition that certain future performance targets are met. This loan, prior to conversion, attracts a market rate of interest and has been accounted for fully as a liability.

The cost of shares in the Company held by the Trust of $77.3 million (2012: $62.0 million) is deducted from shareholders' funds in the Company and Group balance sheets. Details of shares held by the Trust are provided in note 22.

20. Share premium

	$m
Share premium	
At 1 October 2012	141.3
Cost associated with issue of new shares	(3.3)
At 30 September 2013	**138.0**

21. Reserves

	Profit and Loss $m	Fair Value Reserve $m	Revaluation Reserve $m	Translation Reserve $m	Capital Redemption Reserve $m
At 1 October 2012	564.2	0.4	–	(14.6)	14.5
Retained profit for the year	125.1	–	–	–	–
Movements in own shares and share option plans	(5.1)	–	–	–	–
Actuarial gain recognised on defined benefit schemes	0.9	–	–	–	–
Fair value gain on available for sale investments	–	6.6	–	–	–
Effective portion of changes in fair value of cash flow hedges	–	0.5	–	–	–
Share of associates' effective portion of changes in fair value of cash flow hedges	–	1.0	–	–	–
Gain on available for sale investment recycled to profit and loss account on disposal	–	(1.7)	–	–	–
Currency translation difference	–	–	–	(6.8)	–
Tax on disposal of investment in associate	(15.5)	–	–	–	–
Share of associate tax	(5.1)	–	–	–	–
Revaluation of fixed assets acquired from associate	–	–	15.8	–	–
Dividend paid on "A" Preference shares	(1.9)	–	–	–	–
Revaluation of fixed assets on minority interest buy-out	–	–	1.5	–	–
At 30 September 2013	**662.6**	**6.8**	**17.3**	**(21.4)**	**14.5**

Other reserves in the Group balance sheet represents the fair value reserve, translation reserve and capital redemption reserve.

The revaluation reserve arises as a result of the fair valuation of tangible fixed assets upon the group acquiring an increased interest in an undertaking in which these assets are held.

22. Employee trusts

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

The E D & F Man 2000 Employee Trust ("the Trust") holds 22,215,996 (2012: 20,281,472) shares in the Company, of which 16,822,662 (2012: 18,906,063) have been conditionally awarded to employees. The Trust buys and sells shares in the Company at the Fair Price as defined in the Company's Articles of Association. The cost of the shares held of $77.3 million (2012: $62.0 million) is deducted from shareholders' funds in the balance sheet in accordance with UITF (Abstract) 38.

Share options

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

A charge in respect of employee share based payments is recognised in the profit and loss account, with a corresponding entry in the profit and 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 and loss account is adjusted based on an estimate of awards that will lapse prior to vesting. Each scheme is assessed individually and estimates of the number of lapses range from 0 – 12%.

22. Employee trusts (continued)

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 2013 was $27.5 million (2012: $19.6 million).

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

	Number of Shares 2013	Number of Shares 2012
Outstanding at 1 October	18,906,063	18,536,202
Granted	5,257,882	7,392,856
Exercised	(6,315,853)	(6,125,918)
Lapsed	(1,025,430)	(897,077)
Outstanding at 30 September	**16,822,662**	**18,906,063**

Exercisable as follows:	Number of Shares 2013	Number of Shares 2012
Immediately exercisable	269,286	400,171
October 2012 to September 2013	–	5,995,219
October 2013 to September 2014	9,078,325	5,349,325
October 2014 to September 2015	5,414,327	7,161,348
October 2015 to September 2016	2,060,724	–
	16,822,662	**18,906,063**

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 2013 and at 30 September 2012, the Group had no unexercised obligations under this plan.

23. Notes to the statement of cash flows

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

	30 September 2013 $m	30 September 2012 $m
Group operating profit	213.8	107.9
Depreciation of tangible fixed assets	27.9	16.2
Amortisation of intangible fixed assets	2.4	1.4
Expenses arising from share option plans	27.5	19.6
Decrease in stocks	41.2	118.5
(Increase) / decrease in debtors	(1,363.4)	3.5
Increase in creditors	1,267.5	193.8
Effects of FRS 26	(28.6)	12.6
Movement on provisions	(3.0)	3.5
Net cash inflow from operating activities	**185.3**	**477.0**

23. Notes to the statement of cash flows (continued)

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

	Note	30 September 2013 $m	30 September 2012 $m
(Decrease) / increase in cash		(81.2)	171.8
Cash inflow from movement in debt	24	187.9	343.5
Decrease in net debt resulting from cash flows		106.7	515.3
Effect of change in foreign exchange rate	24	(0.2)	(0.5)
Movement in net debt		106.5	514.8
Opening net debt		(1,018.3)	(1,533.1)
Closing net debt	24	**(911.8)**	**(1,018.3)**

24. Analysis of net debt

	Cash $m	Borrowings Less Than One Year $m	Borrowings More Than One Year $m	Net Debt $m
At 30 September 2012	308.5	(845.2)	(481.6)	(1,018.3)
Cash flow	(81.2)	41.1	146.8	106.7
Other non-cash movement	–	(30.0)	30.0	–
Effect of change in foreign exchange rates	0.7	(0.9)	–	(0.2)
At 30 September 2013	**228.0**	**(835.0)**	**(304.8)**	**(911.8)**

25. Financial commitments

	Plant and Machinery		Land and Buildings	
	30 September 2013 $m	30 September 2012 $m	30 September 2013 $m	30 September 2012 $m
Operating leases				
Annual commitments at the balance sheet date in respect of operating leases expiring:				
Within one year	0.5	1.2	3.1	1.8
Between two and five years	3.0	6.4	8.2	6.3
After five years	11.2	7.5	2.9	3.6
	14.7	**15.1**	**14.2**	**11.7**

	30 September 2013 $m	30 September 2012 $m
Capital commitments		
Expenditure contracted for but not provided in the financial statements	**3.3**	**2.0**

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 $1.3 million (2012: $21.7 million).

Notes to the Financial Statements
continued

26. Fixed asset investments of the Company

	30 September 2013 $m
Shares in subsidiaries at cost	
At 1 October 2012	259.4
Additions	27.5
Less: distributions	(27.5)
At 30 September 2013	**259.4**

The additions relate to the current year cost of share awards allocated to employees of the Company's subsidiaries and deemed to be a capital contribution by the Company.

27. Debtors of the Company

	30 September 2013 $m	30 September 2012 $m
Amounts falling due within one year		
Amounts owed by subsidiaries	221.8	209.3
Other debtors	36.5	42.4
	258.3	**251.7**

28. Creditors of the Company

	30 September 2013 $m	30 September 2012 $m
Amounts falling due within one year		
Other creditors	33.1	1.1
Amounts owed to subsidiaries	62.1	56.8
	95.2	**57.9**
Amounts falling due after more than one year		
Other creditors	**–**	**30.0**

29. Reserves of the Company

	Capital Redemption Reserve $m	Profit and Loss Reserve $m
At 1 October 2012	14.5	86.6
Retained result for the year	–	(0.9)
Movement in own shares and share option plans	–	12.2
At 30 September 2013	**14.5**	**97.9**

30. Company reconciliation of movements in equity shareholders' funds

	30 September 2013 $m	30 September 2012 $m
Opening equity shareholders' funds	426.7	217.2
Issue of shares and associated premium	(3.3)	164.8
Retained result for the year	(0.9)	14.5
Movement in own shares and share option plans	12.2	30.2
Closing equity shareholders' funds	**434.7**	**426.7**

Further details of the Group's Employee Trusts can be found in note 22.

31. Contingent assets and contingent liabilities

The credit facilities of the Group, as reported in note 16, have been guaranteed by the Company.

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

The Group's share of contingent liabilities of associates and joint ventures incurred jointly with other ventures or investors was $Nil (2012: $Nil).

32. Related party transactions

Group

During the year the Group entered into transactions, in the ordinary course of business, with related parties. Principal investments with which related party transactions arise are included in note 34. All transactions between E D & F Man Holdings Limited and its subsidiaries are eliminated on consolidation.

	Sales		Purchases		Amounts owed from		Amounts owed to	
	2013 $m	2012 $m	2013 $m	2012 $m	2013 $m	2012 $m	2013 $m	2012 $m
Agricultural Commodities:								
Associates	174.8	268.0	43.2	82.4	13.6	23.4	1.2	4.2
Joint Ventures	233.7	135.4	13.4	15.0	122.9	49.6	4.1	0.6
Equity Partners	87.2	8.0	35.5	18.9	0.4	0.1	0.4	–
Brokerage:								
Associates	–	–	–	–	–	–	19.8	–
Joint Ventures	–	–	–	–	8.2	–	–	–

The terms of the outstanding balances receivable from associates and joint ventures are typically 30 – 60 days. The balances are unsecured and will be settled in cash. There are no significant provisions for doubtful debts relating to these balances and no significant expense recognised in the income statement in respect of bad or doubtful debts.

As at 30 September 2013 loans to directors of $11.8 million are outstanding. These loans are repayable upon demand and fully-collateralised. During the year $1.6 million of loans were repaid and no new loans were advanced.

Company

The Company has taken advantage of the exemption in FRS 8 not to disclose transactions with wholly owned Group companies.

Notes to the Financial Statements
continued

33. Subsequent events

In October 2013 the Group completed the sale of its interest in joint venture SFIR Raffineria di Brindisi S.p.A. The Group had committed to sell this investment in 2012 as a pre-requisite for obtaining The European Commission's approval for Südzucker Holding GmbH to acquire an equity stake in the Group. Full provision has been made in the 2013 profit and loss account for the effect of this disposal, based on the final sales proceeds and including all costs related to the disposal (see note 5).

34. Principal group investments

The principal investments of E D & F Man Holdings Limited, together with interests in equity shares, are given below. The country of operation is the same as the country of incorporation and the balance sheet date is 30 September unless otherwise stated.

	Accounting Reference Date	Country of Incorporation	Nature of Business	Effective Group Interest %
Principal subsidiaries				
E D & F Man Sugar Limited[1]		England & Wales	Sugar Merchants & Brokers	100
E D & F Man Sugar Inc.[1]		USA	Sugar Merchants & Brokers	100
Sociedad de Inversiones Campos Chilenos S.A.[1]	31 Dec	Chile	Holding Company for Food Manufacturer	61
E D & F Man Liquid Products Nederland B.V.[1]		Netherlands	Molasses Distributor	100
E D & F Man Molasses B.V.[1]		Netherlands	Molasses Merchants	100
E D & F Man Liquid Products LLC[1]		USA	Molasses Merchants	100
Westway Feed Products LLC[1]		USA	Animal Feeds	100
E D & F Man Capital Markets Limited		England & Wales	Financial Services Brokerage	100
VOLCAFE Limited[1]		Switzerland	Coffee Merchants & Brokers	100
E D & F Man Treasury Management plc		England & Wales	Group Financing Vehicle	100
Agman Holdings Limited		England & Wales	Holding Company	100
E D & F Man Holdings Inc.[1]		USA	Holding Company	100
E D & F Man Holdings B.V.[1]		Netherlands	Holding Company	100
Principal associates				
Azucar Grupo Saenz S.A. de C.V.[1]	31 Dec	Mexico	Holding Company for Sugar Refiner	49
Agazucar S.A. de C.V.[1]	31 Dec	Mexico	Holding Company for Sugar Refiner	30
Empresas IANSA S.A.[1]	31 Dec	Chile	Food Manufacturer	26
Kilombero Sugar Company Limited[1]	31 Mar	Tanzania	Sugar Miller & Refiner	20
Principal joint ventures				
Maritime Investment Holdings Pte Limited[1]		Singapore	Ship Owner and Operator	50
SFIR Raffineria di Brindisi S.p.A. [1,2]	31 Dec	Italy	Sugar Refiner	50
Agrovia S.A.[1]	31 Dec	Brazil	Sugar Logistics	25

[1] Denotes held by a subsidiary.

[2] Divested in October 2013 (see note 33 for further details).

ED&F MAN
EST. 1783

1755

1755
Birth of James Man

Born in Whitechapel and apprenticed to William Humphrey as a barrel maker, James Man went on to establish his own business as a sugar broker.

1783
Company Founded

James Man set up his own business as a barrel maker and sugar broker at 23 Harp Lane, London.

1915

1915
ED&F Man's First Female Employee

Miss Sadie Braithwaite becomes the first female member of staff in ED&F Man. She served in the company for over 30 years.

1939

1939
The Second World War

ED&F Man's offices in Mincing Lane are destroyed in one of the many bombing raids that took place across Europe.

1970

1970
End of the Rum Tot

Times change - the Royal Navy discontinues its rum ration for sailors and so the contract with ED&F Man comes to an end after 186 years.

1989

1989
ED&F Man Makes Further Investments

ED&F Man takes a 51% stake in a London based quantitative investment manager, AHL. ED&F Man also acquires GNP Commodities based in Chicago and Gill & Duffus, a cocoa trader.

1992
Second BIBO Launched

In the year that saw the Maastricht Treaty of the European Union, ED&F Man launches the second bulk white sugar vessel, the CHL Progressor.

1994
Listing on the London Stock Exchange

The company listed on the London Stock Exchange as Man Group Plc.
Across the Atlantic, the North American Free Trade Agreement (NAFTA) was created.

1784
Royal Navy Rum Contract

James Man secured a contract to supply the Royal Navy with rum for the 'rum tot' - the daily ration of rum issued to sailors. This tradition continued until 1970, with Man holding the contract for the full 186 years.


TYERS, DUNKLEY, and Co. Brokers.

AT GARRAWAY'S Coffee-house, Cornhill, On THURSDAY, the 30th of June at Twelve,
THE FOLLOWING GOODS, VIZ.
300 Hhds. British Plantation Coffee
150 Bags Pimento
4 Casks Honey
3 Puncheons Lime Juice
Catalogues of which will be timely delivered by JAMES MAN, Broker.

AT GARRAWAY'S Coffee-House, Cornhill,
THE FOLLOWING GOODS, VI

1802
Expansion into Other Commodities

Man begins to trade coffee, cocoa and various other commodities. Trades are conducted at Candle Auctions held in London Coffee Houses.

1810

1810
Company Moves to Mincing Lane

Mincing Lane was the hub of London's commodity trading centre, a couple of streets north of the docks on the river Thames.

1977

1977
ED&F Man Moves Home

ED&F Man moves its London headquarters to Sugar Quay, sitting right beside the river Thames.

1981

1981
Move into Futures Broking

ED&F Man moves into futures broking. Anderson Man Limited is established which becomes ED&F Man International, and later Man Financial.

1983

1983
200 Years of ED&F Man

ED&F Man celebrates its 200th anniversary and diversifies into financial services and alternative investment management.

1996

1996
New Presence in Singapore

ED&F Man International acquires Index Futures Group Inc. and Standard Chartered's brokerage operation.

1996
Pioneer Vessel

The BIBO ship Pioneer is launched by ED&F Man.

2000

2000
ED&F Man MBO

A Management Buy-Out of the agricultural commodities business returns ED&F Man to a private, employee-owned company.

VOLCAFE

2004
ED&F Man acquires Volcafe

ED&F Man acquires Swiss based Volcafe, becoming one of the world's leading coffee merchants.

1823

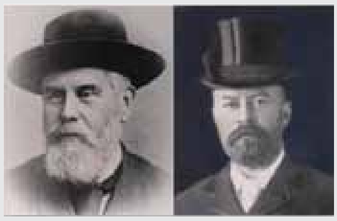
1823
Death of James Man

James Man retired in 1819 and moved to Dartmouth in Devon on the south coast of England. He died there in 1823.

1851

1851
Volcafe

Brothers Salomon and Johann Georg Volkart found Volkart Brothers Winterthur (Switzerland) and Bombay (India). The company's coffee division eventually became Volcafe.



1869
Company Changes Name

The company changes its name to ED&F Man, incorporating the initials of James Man's grandsons, Edward Desborough and Frederick, who took over the firm.

1983

1983
Mint Investment Management

ED&F Man becomes a partner in new investment management firm, Mint, based in New Jersey.

1985
ED&F Man Acquires SvG Molasses

ED&F Man acquires Schuurmans & van Ginneken's (SvG) molasses business.

1986
BIBO Ship Launched

ED&F Man launches the CHL Innovator, the first bulk white sugar vessel using the system 'Bulk In Bags Out' (BIBO).

2007
ED&F Man on the LME

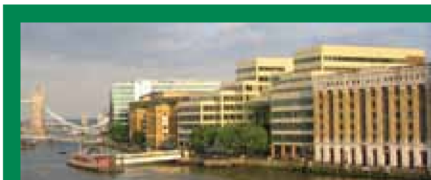
ED&F Man returns to the London Metal Exchange, becoming the first new floor trading member in more than a decade.

2012
Südzucker

Südzucker AG Mannheim/Ochsenfurt acquires an equity investment of 24.99% in ED&F Man to enable investment into new growth areas.

Capital Markets

ED&F Man expands its brokerage division with the formation of ED&F Man Capital Markets.



2013

2013
ED&F Man celebrates 230 years

True sustainability - 230 years of innovation and expertise.

Our history

In 1783 the City of London was at the heart of global merchanting. That year James Man established his cooperage business and also began to trade sugar and rum. The very next year, he secured the exclusive contract to supply rum to Britain's Royal Navy – a relationship which lasted for the next 186 years. James Man went on to become a well-respected sugar and commodities merchant. His grandsons, Edward Desborough and Frederick Man gave their name to our company.

Today the City of London is at the centre of global trade and ED&F Man endures as a leading global merchant of agricultural commodities.



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