



Annual Report 2016

EDFMAN.COM

E D & F Man Holdings Limited

Directors

R F Muguire
M W Harvey
P A Howell
M H Daniell (appointed 3 February 2016)
L P A Foulds
W H Heer
T Kölbl (appointed 8 September 2016)
F J Lavooij (retired 10 December 2015)
R G Reason
D H Rosenblum (retired 27 October 2016)
N Vesterdal

Secretary

R J A Askew

Company Registration Number

3909548

Company Registration Number

3909548

Registered Office

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

Auditor

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



Contents

2	Chairman's Statement
6	Corporate Social Responsibility at E D & F Man
8	Charitable Activities at E D & F Man
10	Strategic Report
12	Directors' Report
14	Independent Auditor's Report
16	Consolidated Profit or Loss
17	Consolidated Statement of Comprehensive Income
18	Consolidated Statement of Changes in Equity
20	Consolidated Statement of Financial Position
21	Consolidated Cash Flow Statement
22	Notes to the Consolidated Financial Statements
60	Company Balance Sheet
61	Company Statement of Changes in Equity
62	Notes to the Company Accounts

Chairman's Statement



On behalf of the Board of E D & F Man Holdings Limited, I am pleased to present our 2016 Annual Report and to report a pre-tax profit of \$101.9 million, which represents a significant increase in underlying operational profitability.

The last twelve months has been a period of achievement for the Group delivering good value for shareholders with a strong profit performance for 2016. We continued to invest in innovation, improved our service to customers and strengthened our competitiveness.

In particular, our Sugar merchandising and futures brokerage businesses have gained positive momentum during the year. Coffee and Liquid Products continue to perform strongly. Encouragingly, the Sugar assets and Shipping divisions, which faced significant challenges in the prior year, are on the road to recovery and have produced improved results.

The macroeconomic environment remained subdued over the past twelve months, with the IMF downgrading global growth to just 3.1% reflecting some loss of growth momentum in the advanced economies, and continuing headwinds for emerging market economies. Investment demand remained weak in FY16, resulting in lower trade growth globally. While the global recovery continued, it has been at an ever slowing and increasingly fragile pace, with low interest rates and accommodative monetary policy clearly failing to provide the necessary stimulus.

Despite this, or perhaps because of this, the early part of 2016 saw most commodity prices stop falling, while emerging markets started to see a modest resurgence. In part this was attributable to funds investing in commodities and emerging markets in their search for alternative and higher returns, following near-zero interest rates and declining bond yields. Also contributing to the turnaround was a renewed push by the Chinese government to stimulate its flagging economy through credit growth and fixed asset investment, which helped support commodity demand. This led to an end to the two-year drag in energy, metals and soft commodity prices and a bottoming out of dry bulk freight rates.

Finally, with the US Fed struggling to raise rates higher due to sluggish domestic growth, the US dollar remained range-bound during much of the year, which also facilitated the recovery in commodity prices. In the US, UK and other advanced economies, the subdued outlook fuelled political discontent, resulting in the divisive UK vote to leave the EU and the equally divisive US elections. Any rise in anti-integration and anti-globalisation policy platforms gaining traction could provide additional headwinds to the world economic and trade growth outlook.

Sugar

The 2015/16 sugar season witnessed a remarkable turnaround, as the heavy surplus that characterised the previous two seasons finally turned into deficit. In anticipation of this funds started to push the futures market higher, with prices starting the season at 13.3c/lb and ending 70% higher at 22.5c/lb.

Global sugar production fell 4% as the El Nino weather reduced yields in Asia and Central America while low prices discouraged production in the EU. Consumption trends remained strong however, the resulting market tightness led to volatile prices, with sugar becoming one of the best performing commodities of the year.

Sugar merchanting has made a strong contribution to Group profits during the year, through identifying and capturing local market opportunities in Asia, South East Europe and West Africa. Results have also benefitted from our increased ownership stakes in SIS Sugar and Asian Blending in Singapore and the fruits of cost-saving initiatives implemented during FY15.

The Sugar Assets business has been through a tough couple of years, and after a review of the portfolio by management, all assets now have a clear vision and strategy with new management teams in place where required. This has resulted in improved results from the prior year.

In particular, Azucar Grupo Saenz ('AGS'), which is our largest holding in Mexico, has faced significant challenges in recent years. During FY15, a robust management team took over locally, with the focus being on establishing a reliable funding platform for the business, improving operational efficiency in the milling business and maximising market revenues from the sugar produced.

We now have greater visibility over the operations of the mills and the 2015/16 campaign completed with 300kMT of sugar produced and two of the three mills achieved their operational targets. Local cane grower financing has been established and a capex programme for mill turnaround has been launched. Although a return to profit is not expected imminently, margins are improved so far this year. To avail of AGS's proximity to the US border, strategic alliances are sought with our now fully-owned investment in the under-performing Royal Ingredients business (Sugar manufacturing and distribution business in continental US).

In the Ukraine, acquisitions during FY15 doubled our irrigated land available for spring planting. The recent planting campaign went well and the harvesting of winter grains has started with good yields so far, but it is early days. The land expansion project is on track to bring the factory to capacity by 2018 and interim target yields in both farming and factory have been exceeded. Raw sugar has been refined for the first time and sugar has been supplied to blue-chip customers.

The integration of Empresas IANSA SA ("IANSA") post acquisition is continuing successfully. As one of the most efficient sugar producers in the world, we look forward to a positive impact from this acquisition on the Group's sugar production activities. Operationally, IANSA has faced challenging market conditions and reduced sugar consumption in its home market, but has continued to grow its non-sugar businesses in fruit juice and tomato paste.

Coffee

The coffee market experienced some bullish price moves over FY16, with Robusta supplies tightening following dry weather in Brazil's Conilon regions and in Vietnam. Although the Arabica market remained in surplus, funds went long both markets, resulting in price gains of 25% over the season.

Our Coffee business is geographically well-diversified. In Europe, we have established high-performing operations in several countries and these are producing good margins. In Colombia, we have a strong presence, where we sell over one million bags and have 10% market share. Meanwhile in Brazil, we have embarked on a strategic relationship with the Brazilian exporter Custódio Forzza Comércio e Exportação Ltda. Our quest for increased market share in Asia continues with solidly growing businesses in Vietnam, Korea and Japan, supported by our traditionally strong positions in Australia.

The recently commissioned mills in Uganda and Colombia are operating efficiently. Meanwhile, our commitment to pursue further growth opportunities in the supply of Robusta coffee is progressing with the new mill in Vietnam.

During the year we launched the Genuine Origin Coffee Project (www.genuineorigin.com) which was created to change the way top quality single origin specialty coffee is sourced and supplied. We took more than a century's worth of experience, plus an extensive Origin presence, and focused them on serving the specific needs of specialty growers and roasters, with sustainability and collaboration at the heart of it. In addition, we developed an efficient way to pack, ship and deliver all of the freshness of single origin coffee directly to our customers' doors.

Chairman's Statement (continued)

Liquid Products

Abundant feed grain supplies put pressure on feed prices which in turn impacted molasses demand over the year. However, this was offset by tighter molasses supplies following poor cane and beet crops in 2015/16. Despite these challenges and an unseasonably mild winter in Europe, our Molasses business has continued to perform well.

Our Beet Pulp Trading business is gaining traction and reaching critical mass from the purchase and successful integration of Mercatura B.V. and Feedimpex B.V. These acquisitions will add to our existing global beet pulp trading capabilities and will complement existing feed businesses. Our Fish Oils business also consolidated its supply chain in the Americas with the acquisition of the assets of Pallium SA, an established trading company in Mexico which specialises in the purchase and sale of fish oils, fish meals and poultry meals. The company owns liquid storage assets in the Port of Guaymas and leases a dry storage facility in Guadalajara.

Grains

The Group commenced Grains trading in July 2015 and its growth continues. Our physical presence in the selected origin countries gives us direct access to a large number of farmers and co-operatives, and the business has already handled over one million tonnes since inception.

Shipping

Our Shipping business continues to operate in difficult markets due to low freight rates, with the Baltic Dry Index recording an all-time record low of 290 points. Despite this, the underlying short-term freight business continues to perform profitably and has produced improved profits from the prior year.

Brokerage (Capital Markets)

Our brokerage operation has performed well and has improved profitability from the prior year. New businesses introduced during FY15 are contributing positively, driven by strong customer volume for our futures clearing and corporate bonds teams. In the US, both the futures clearing and fixed income clearing businesses continue to develop well, both in terms of growing client numbers and customer balances.

We are incubating new businesses and we will continue to invest in the future in new teams and businesses where we see opportunity.

Südzucker Investment

During the year, Südzucker Holding GmbH increased its shareholding in the Group to 34.99%. This is an additional 10% from their initial investment of 24.99% in May 2012. The additional investment reflects Südzucker's confidence in our business and underpins our strategy to seize opportunities on the global markets. As a result of this transaction, I am pleased to welcome Thomas Kölbl, Finance Director of Südzucker to our Board.

Bank Syndication and Liquidity

We successfully completed our latest syndicated bank financing raising a total of US\$1,890 million spread between 364-day and 3 year maturities, inclusive of a new committed same-day facility dedicated to our Brokerage business. In addition, in May we successfully concluded our second transaction in the US Private Placement (USPP) market, raising US\$90 million and issuing notes of 5, 7 and 10 years duration. In doing so, we consolidated our position in this market, building on our achievement in 2014 when we raised US\$65 million.

We continue to enjoy comfortable availability under our committed credit facilities which total US\$3.2 billion (including our long-term debt). The Group Balance Sheet and liquidity position remain strong. We consider our overall liquidity to be adequate should we face future market volatility and we maintain comfortable compliance with all financial covenants.

Board Changes

In addition to the appointment of Thomas Kölbl, we are pleased to announce that during the year the Group also appointed Mark Haynes Daniell as a non-executive director. Mark is a former senior partner at Bain & Company. During his career, he has been Chairman of the Raffles Family Wealth Trust Pte Ltd, served on a range of advisory boards and was an independent director of Olam International for 12 years.

This year has also seen the retirement of two long-serving directors, namely Frank J Lavooij and Daniel H Rosenblum. Their contribution to the Board and Group has been invaluable and we thank them sincerely for their long and dedicated service.

Corporate Social Responsibility (CSR)

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

During the year, our Executive team visited local sites to facilitate 'Culture and Values' workshops to emphasise their impact on our continuing success. We also upgraded our 'code of conduct' to 'standards of business conduct'. These upgraded standards express our values, set out rules that govern our actions and give all employees a clearer framework within which to make decisions.

Looking Forward

Overall, the Group has achieved much improved operational performance in comparison to last year, courtesy of continued profits from established business lines, expansion into new markets and progress on the turnaround of under-performing investments. The geopolitical situation (both domestically and internationally) remains extremely challenging and management and our risk teams are focused on ensuring we trade sensibly in these uncertain times.

I would like to thank my Board colleagues and the Group's talented employees for their continued dedication in supporting our many achievements in the past year. Due to the diversified nature of the Group's activities and the strength of the Balance Sheet underpinning these activities, I feel that the Group is globally competitive and well-positioned for future opportunities and have every reason to be optimistic about this forthcoming year.

Yours sincerely

Rafael Muguero
Chairman

Corporate Social Responsibility

at E D & F Man

At E D & F Man, we enjoy an enviable position in our markets. The Board is determined to maintain this reputation and sees its Corporate Social Responsibility ("CSR") as central to the culture of E D & F Man, not only because the directors support the objectives and spirit of the policy, but they recognise that it makes good business sense. Members of E D & F Man's CSR steering committee include the Group's Chairman and Chief Executive Officer along with representatives from each business unit. They are supported by management from the Group's health, safety, environment and quality organisation.

This year we again achieved good progress in our four key focus areas:

- Environment
- Marketplace
- Workplace
- Social



Framework

The Group's CSR policy is consistent with the UN's Declaration of Human Rights and the ILO's labour standards. It will also help achieve the UN's sustainable development goals. Having set out the CSR policy's ambitions, principles and priorities last year, the Group has further integrated them into our business units. This year we have rolled out our values across all our worldwide operations. Through 'culture and values' workshops, E D & F Man's CEO and senior managers have explained the importance of these values to our continued success. In addition, we have upgraded our 'code of conduct' to 'standards of business conduct'. These upgraded standards express our values, set out rules that govern our actions and give all employees a clearer framework to make decisions, stressing our commitment not to compromise on our obligations to employees, customers, the environment and the communities in which we work.

Environment

The Group has delivered good performance on environmental compliance this year and is committed to maintaining this. Harmonising the Group's environmental policy controls across the worldwide operations has helped achieve this. We monitor the use of energy, water and waste generated in our operational assets. This year we have reduced our carbon footprint and our water use.

We will continue to focus on reducing our use of natural resources and our carbon footprint, and contribute to the objectives of the 2015 Paris Climate Agreement.

Marketplace

For our own and our customers' success, it is vital that we only supply safe products of agreed quality. This year we have further harmonised our product integrity and safety management systems across our commodity businesses. Our commodity businesses have maintained their quality and food safety certifications, which external independent bodies have audited and certified. These include:

- Food Safety – FSSC22000, SF Level 2
- Feed Safety – GMP+, FEMAS, SF/SF
- General quality management – ISO9001

To comply with the US Food Safety & Modernisation Act (FSMA), we have further improved our US sugar and molasses operations systems.

These standards are internationally recognised by the Global Food Safety Initiative, and allow us to be a valued supplier to all the major international food and drink companies and leading animal feed producers.

Our quality assurance programme and certifications make sure we are maintaining product safety and quality throughout our commercial operations and acquisitions.

In other parts of the supply chain, we are encouraging our suppliers and customers to operate responsibly in support of ethical agriculture. We have shared our supplier code of conduct with our agricultural product suppliers and many of whom have confirmed that they share our commitments.

Representatives from our brokerage business sit on our CSR steering committee. As part of its compliance programme, this business unit has re-trained existing staff and new joiners in our CSR, ethics and governance standards.

Workplace

We aim for a workplace that is free from hazards and risks. We have increased the number of safety meetings, encouraged people to report and address 'unsafe condition' and 'near miss' incidents, and set up a platform to improve safety across the group and eliminate hazards before incidents happen. As a result, lost time accidents, lost time days and lost time incident rates have all improved over the last 12 months.

Since upgrading our health and safety policy this year, we have harmonised twelve new safety control procedures across the group, so that the Group manages risk at all its assets in a consistent way across the globe.

The standardised system of reporting workplace incidents helps progress tracking and trend analysis, so we can focus on areas to improve safety, risk management tools and controls.

The HR department has launched initiatives to improve internal and external communications, talent management, and employee engagement and collaboration, and upgraded the performance management and reward systems in line with our values.

Social

The "E D & F Man and Charitable Donations" statement details how the Group has provided relief in various communities where we operate. "Sustainability" and "responsible sourcing" continue to be primary focus areas of E D & F Man and to the best of our ability we work closely with our stakeholders and customers. Our "Sustainability and Intelligent Procurement" initiative, and our involvement with local communities supported by our membership of a number of Roundtables, will help us remain market leaders in this area.

E D & F Man is a board member of Bonsucro and has intensified its support to the programme to promote sustainable sugar and a responsible supply chain. The sugar trading desk is Bonsucro certified and we are in the process of certifying our operational assets under this scheme.

In our Coffee business we are part of supply chains which are registered and approved by Rainforest Alliance, 4C (the Code for the Coffee Community), UTZ Certified, the Fairtrade Labelling Organisation 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.

The Liquid Products business is actively involved in a variety of sustainability schemes. Due to the shared supply chain, the molasses operation works closely with the Sugar business on sustainability. Organic molasses trade volume is experiencing double-digits growth, and the overwhelming majority of all fish oil traded was produced sustainably by independently certified producers under the IFFO RS standard for responsibly farmed fish oil and fish meal.

Charitable Activities

at E D & F Man



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

- (a) E D & F Man's charitable funds, donated solely by the Company and administered by The Charitable Donations Committee; and
- (b) The E D & 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.

The Charitable Donations Committee manages the Group's charitable funds. Our aims are to look after the needs of young and older people, to support educational and health projects, and where possible to link into our Corporate Social Responsibility objectives 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 E D & F Man has operations, and we like our employees to take ownership of the projects.

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

Firstly, 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.

The remaining budget is available for special projects in the regions where we operate, with a bias towards providing help for the most deserving causes where we can make a tangible difference to people's lives.

This year we sponsored lifesaving heart surgery for children from Uganda and Nicaragua at a specialist hospital in New Orleans. So far we have supported fifteen children from countries across the world where such surgery is unavailable.

In April E D & F Man employees once again entered a team to run the London marathon. They raised money for Children with Cancer, a charity dedicated to the fight against all childhood cancers. Including this year's Charitable Donations Committee contribution our team of employees has raised over \$740,000 since they started running the marathon for Children with Cancer in 2006.

Our businesses also undertake community projects in partnership with clients and other organisations. For example we work closely with the Costa Foundation on projects to build or equip schools in coffee growing communities with little access to education. In February 2016 we were pleased to see the fruition of our latest project with the official opening of Eah 'Leo nursery school in Vietnam, providing places for 270 children.



Strategic Report

for the year ended 30 September 2016

Principal activities, business review and future developments

The Group's primary business is the sourcing and delivery worldwide of sugar, coffee, molasses and grain 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, processing, 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 18 and 19 to the financial statements. Note 19 also describes the Group's financial risk management objectives and policies, and details its financial instruments and hedging activities, and exposures to credit risk and liquidity risk.

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

	30 September 2016 \$m	30 September 2015 \$m
Gross Profit	685.3	498.5
Profit for the year before tax	101.9	117.8
Adjusted Profit for the year before tax ¹	100.9	31.8
Return on Equity defined as:		
Adjusted Profit for the year before tax over Net Assets at the beginning of the accounting period (expressed as a percentage)	10.7%	3.6%

Overall, the Group's Gross Profit has increased by over 37% from the prior year. In particular, our Sugar Merchanting and Brokerage businesses have gained positive momentum during the year. Coffee and Liquid Products continue to perform well. Encouragingly, the Sugar Assets and Shipping divisions, which faced significant challenges in the prior year, are on the road to recovery and have produced improved results.

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. During the year, Südzucker Holding GmbH increased its shareholding in the Group to 34.99%. This is an additional 10% from their initial investment of 24.99% in May 2012. The increase was completed on 8 September 2016. The additional investment reflects Südzucker's confidence in our business and underpins our strategy to seize opportunities on the global markets.

In Brazil, our Coffee business has embarked on a strategic relationship with the Brazilian exporter Custódio Forzza Comércio e Exportação Ltda. Our Beet Pulp Trading business has benefitted from the purchase and successful integration of Mercatura B.V. and Feedimpex B.V. These acquisitions will add to our existing global beet pulp trading capabilities and will complement existing feed businesses.

¹ Adjusted for gain on acquisition of subsidiary

Our Fish Oils business also consolidated its supply chain in the Americas with the acquisition of the assets of Pallium SA, an established trading company in Mexico which specialises in the purchase and sale of fish oils, fish meals and poultry meals. The company also owns liquid storage assets in the Port of Guaymas and leases a dry storage facility in Guadalajara.

In September 2015, the Group acquired a controlling interest in its Chilean associate IANSA. The integration of IANSA's operations is progressing well. This year, sugar operations have been adversely impacted by market conditions, but due to being a well-diversified company, it has continued to grow its non-sugar businesses in fruit juice and tomato paste.

Since the integration of our Brokerage business in 2012, the nature of its activities has had a significant impact on the shape of our Group Balance Sheet. The Group's total assets ended the year 31% higher than last year end at \$18.7 billion (2015: \$14.3 billion), of which \$14.8 billion (2015: \$10.7 billion) related to Brokerage.

The most important driver of the change in gross assets is the ongoing success of our US brokerage operations, where our Fixed Income Clearing Corporation (FICC) broking activities operate a facilitation business offering large institutional clients access to the FICC to clear securities repurchase and reverse repurchase transactions relating to US government and agency securities. While such arrangements, including the associated liabilities, are stated gross on our balance sheet, representing \$9.4 billion or 53% of gross current assets (2015: \$6.4 billion or 48%), they are essentially fully-collateralised, self-liquidating arrangements where we act as a conduit for our clients to access the FICC.

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

	30 September 2016	30 September 2015
	\$m	\$m
Undrawn facilities	1,084.7	1,498.5
Cash and cash equivalents	990.1	801.1
Readily marketable inventories	1,282.7	948.4
	3,357.5	3,248.0

Readily marketable inventories are those considered to be readily convertible to cash due to their quality, liquid nature, short duration and the existence of widely available markets.

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. Further details are provided in Note 19 Financial instruments and financial risk management.

By order of the Board

Richard Askew
Secretary
2 December 2016

Directors' Report

for the year ended 30 September 2016

The directors present their report and audited financial statements for the year to 30 September 2016.

Results and dividends

The audited financial statements of the Group and the Company are shown on pages 16 to 63. The profit after taxation attributable to owners of the Group for the year to 30 September 2016 amounted to \$73.2 million (2015: \$105.4 million). The directors do not recommend the payment of an ordinary dividend (2015: \$Nil). During the year a preference dividend of \$11.3m was paid (2015: \$Nil). Dividend per preference share was \$0.25 (2015: \$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.

The financial statements of the parent company on pages 60 to 63 have been prepared for the first time in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework."

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

Financial risks and future developments

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

Employees

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

Regular consultation with employees or their representatives continues at all levels, with the aim of ensuring their views are taken into account when decisions are made which are likely to affect their interests.

The policy of providing employees with information about the Group has been continued through Group-wide newsletters in which employees have been encouraged to present their suggestions and views on the Group's performance. Employees participate directly in the success of the business through the Group's employee trusts and share option schemes.

Donations

During the year the Group made charitable donations of \$0.3 million and no political donations. Charitable donations are described further in the report on page 9.

Directors

The Board consists principally of non-executive directors. The directors who held office during the year were as follows:

Mr Rafael Fernando Muguero
Mrs Mary Wilhelmina Harvey
Mr Philip Adrian Howell
Mr Mark Heynes Daniell
(appointed 3 February 2016)

Mr Laurie Peter Adrian Foulds
Dr Wolfgang Helmut Heer
Mr Thomas Kölbl
(appointed 8 September 2016)
Mr Francois Jan Lavooij
(retired 10 December 2015)

Mr Ross George Reason
Mr Daniel Howard Rosenblum
(retired 27 October 2016)
Mr Niels Vesterdal

Disclosure of information to auditors

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

The directors have also taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are also aware of that information.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements, in accordance with International Financial Reporting Standards as adopted by the European Union for the Group and FRS101 for the parent company's financial statements. Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the Group, and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

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

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

They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that they have complied with these requirements.

Going concern

As highlighted in note 19 to the financial statements, the Group meets its day-to-day working capital requirements through various sources of short and medium-term finance. Facilities of \$2,015 million are due for renewal in 2017. The Group's banks have provided committed loan facilities for many years. Discussions have commenced with these banks to renew facilities at the levels required to maintain the Group's business. These discussions have not revealed any matters which would suggest that renewal may not be forthcoming on acceptable terms and at acceptable levels.

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

Indemnity

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

Auditor

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

By order of the Board

Richard Askew

Secretary

2 December 2016

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 2016 which comprise the Consolidated Statement of Financial Position, the Consolidated Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the related notes 1 to 31 to the Financial Statements, the Company Balance Sheet, the Company Statement of Changes in Equity and Company related notes 1 to 6. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101 "Reduced Disclosure Framework".

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 Statement of directors' responsibilities set out on page 13, 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 and Financial Statements 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 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Andrew Smyth (*Senior Statutory Auditor*)

for and on behalf of Ernst & Young LLP,
Statutory Auditor

London

2 December 2016

Consolidated Profit or Loss

for the year ended 30 September 2016

	Note	30 September 2016 \$m	30 September 2015 \$m
Revenue	3	8,235.3	8,190.4
Cost of sales		(7,550.0)	(7,691.9)
Gross profit		685.3	498.5
Selling and administrative expenses		(492.3)	(352.8)
Share of loss of entities accounted for using the equity method		(12.2)	(31.6)
Operating profit	4	180.8	114.1
Profit on disposal of investments		1.1	-
Gain on acquisition of subsidiary		1.0	86.0
(Loss)/Gain on disposal of property, plant and equipment		(0.4)	6.4
Provision against investments		(2.5)	(7.4)
Impairment of fixed assets		-	(5.1)
Profit before interest and tax		180.0	194.0
Finance income		21.6	11.2
Finance costs		(99.7)	(87.4)
Profit before tax		101.9	117.8
Tax	7	(28.1)	(14.4)
Profit for the year after tax		73.8	103.4
Attributable to:			
Owners of the Group		73.2	105.4
Non-controlling interest		0.6	(2.0)

The Notes on pages 22 to 59 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2016

	Note	30 September 2016 \$m	30 September 2015 \$m
Profit for the year after tax		73.8	103.4
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss recognised on defined benefit schemes	6	(3.2)	(2.4)
Deferred tax recognised on defined benefit schemes		0.6	-
Share of movement of joint ventures' reserves	11	(5.8)	-
		(8.4)	(2.4)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on retranslation of net assets of subsidiary undertakings		(16.3)	(56.8)
Currency translation differences on net investment hedges		2.2	9.5
Fair value movement on available for sale investments	12	0.8	0.9
Effective portion of changes in fair value of cash flow hedges - net of deferred taxes		(24.4)	0.7
Recycled fair value gain on cash flow hedge following deemed disposal of associate		-	(1.9)
Total other comprehensive loss for the year		(46.1)	(50.0)
Total comprehensive income for the year		27.7	53.4
Total comprehensive income attributable to:			
Owners of the Group		29.3	55.5
Non-controlling interest		(1.6)	(2.1)
		27.7	53.4

The Notes on pages 22 to 59 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 September 2016

Equity attributable to the equity holders of the Parent

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

The Notes on pages 22 to 59 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

for the year ended 30 September 2015

Equity attributable to the equity holders of the Parent

	Share Capital (Note 21)	Preference shares (Note 21)	Share premium account (Note 22)	Retained Earnings	Fair value reserve	Translation Reserve	Capital redemption Reserve	Total	Non-controlling interest (Note 31)	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
As at 1 October 2014	138.2	46.1	168.0	471.3	3.9	(35.4)	14.5	806.6	74.9	881.5
Profit for the year	-	-	-	105.4	-	-	-	105.4	(2.0)	103.4
Other comprehensive loss	-	-	-	(2.4)	(0.3)	(47.2)	-	(49.9)	(0.1)	(50.0)
Total comprehensive income/(loss)	-	-	-	103.0	(0.3)	(47.2)	-	55.5	(2.1)	53.4
Proceeds from sale of own shares	-	-	-	11.1	-	-	-	11.1	-	11.1
Purchase of own shares	-	-	-	(32.5)	-	-	-	(32.5)	-	(32.5)
Share-based payments	-	-	-	29.2	-	-	-	29.2	-	29.2
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(2.0)	(2.0)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	30.7	30.7
Acquisition of non-controlling interests	-	-	-	29.8	-	-	-	29.8	(57.4)	(27.6)
At 30 September 2015	138.2	46.1	168.0	611.9	3.6	(82.6)	14.5	899.7	44.1	943.8

The Notes on pages 22 to 59 form an integral part of these financial statements.

Consolidated Statement of Financial Position

as at 30 September 2016

	Note	30 September 2016 \$m	30 September 2015 \$m
Non-current assets			
Intangible assets	8	72.2	70.5
Property, plant and equipment	9	490.6	469.3
Investment properties	10	2.2	7.4
Investments in joint ventures and associates	11	67.9	105.9
Available for sale investments	12	13.7	14.9
Trade and other receivables	16	63.0	103.3
Other financial assets	19	7.2	212.0
Deferred tax asset	7	43.1	44.0
		759.9	1,027.3
Current assets			
Inventories	14	1,393.5	1,049.6
Biological assets	15	13.5	8.8
Trade and other receivables	16	4,047.6	3,175.3
Other financial assets	19	11,499.0	8,210.4
Cash and cash equivalents		990.1	801.1
		17,943.7	13,245.2
Total assets		18,703.6	14,272.5
Current liabilities			
Trade and other payables	17	(3,815.0)	(2,516.1)
Loans and overdrafts	18	(1,793.6)	(1,730.6)
Other financial liabilities	19	(11,191.4)	(8,357.7)
		(16,800.0)	(12,604.4)
Net current assets		1,143.7	640.8
Non-current liabilities			
Trade and other payables	17	(16.0)	(3.2)
Loans and overdrafts	18	(836.5)	(444.5)
Other financial liabilities	19	(17.5)	(225.9)
Provisions	20	(11.4)	(9.4)
Pension liabilities	6	(20.3)	(15.1)
Deferred tax liability	7	(25.2)	(26.2)
		(926.9)	(724.3)
Net assets		976.7	943.8
Equity attributable to owners of the Group		932.4	899.7
Non-controlling interest		44.3	44.1
Total equity		976.7	943.8

The Notes on pages 22 to 59 form an integral part of these financial statements.

Approved by the Board of Directors on 2 December 2016 and signed on its behalf by:

Philip Howell
Chief Executive

Laurie Foulds
Finance Director

Consolidated Cash Flow Statement

for the year ended 30 September 2016

	Note	30 September 2016 \$m	30 September 2015 \$m
Net cash (outflow)/inflow from operating activities	24(a)	(92.6)	428.5
Investing activities			
Dividends from associates		1.0	3.0
Interest received		20.7	10.2
Purchase of property, plant and equipment		(72.0)	(57.1)
Proceeds on sale of property, plant and equipment		9.5	10.9
Proceeds from sale of investments		15.7	-
Purchase of investments		(2.2)	(32.3)
Purchase of subsidiary undertakings		(9.3)	(66.0)
Purchase of intangibles		(6.2)	(4.5)
Net cash (used in) investing activities		(42.8)	(135.8)
Financing activities			
Increase in borrowings	25	451.3	105.2
Purchase of own shares		(110.7)	(32.5)
Proceeds on sale of own shares		91.8	11.1
Interest paid		(99.5)	(83.9)
Dividends paid		(11.3)	-
Net cash inflow/(outflow) from financing activities		321.6	(0.1)
Net increase in cash and cash equivalents		186.2	292.6
Cash and cash equivalents at the beginning of year		801.1	505.7
Effect of foreign exchange rate changes		2.8	2.8
Cash and cash equivalents at the end of year		990.1	801.1

The Notes on pages 22 to 59 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 September 2016

1. Significant accounting policies

1.1 Basis of preparation

E D & F Man Holdings Limited is domiciled in the United Kingdom and incorporated under the Companies Act 2006. The consolidated financial statements of the Group have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) effective as of 30 September 2016.

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

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

- IFRS 10 and IAS 28 – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture; Amendments regarding the application of the consolidation exception;
- IFRS 12 – Amendments regarding the application of the consolidation exception;
- IAS 1 and IAS 7 – Amendments resulting from the disclosure initiative;
- IAS 12 – Recognition of deferred tax assets for unrealised losses;
- IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation;
- IAS 16 and IAS 41 – Amendments to the accounting treatment of bearer plants;
- IFRS 2 – Amendments to classification and measurements of share - based payment transactions;
- IFRS 4 – Amendments to applying IFRS 9 with IFRS 4;
- IFRS 9 – Financial instruments;
- IFRS 11 – Accounting for acquisitions of interests in joint operations;
- IFRS 15 – Revenue from contracts with customers; and
- IFRS 16 – Leases.

With the exceptions of IFRS 15 and IFRS 16, management do not believe these standards and amendments will have a significant impact on the Group financial statements.

The potential impacts of IFRS 15 on revenue recognition and IFRS 16 on lease accounting are currently being assessed.

1.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and all its subsidiary undertakings for the year ended 30 September 2016. All companies over which the Group is able to exercise control are consolidated as subsidiary undertakings.

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

1.3 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported financial position at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual outcomes could differ from these estimates. Management has identified the following areas as being critical to understanding the Group's financial position as they require management to make complex and/or subjective judgements and estimates about matters that are inherently uncertain:

Valuation of financial instruments

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

Impairments

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

Provisions

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

Fair valuation of non-financial assets and liabilities

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

Recognition of deferred tax assets

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

1.4 Accounting policies

Foreign currencies

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

The Group’s consolidated financial statements are presented in United States Dollars (“presentational currency”). This is also the functional currency for the majority of the Group’s operations. The assets and liabilities of subsidiaries and associates undertakings whose functional currency is not United States Dollars are translated at the rate of exchange ruling at the balance sheet date. The results and cash flows of these undertakings are translated at average rates for the year.

Notes to the Consolidated Financial Statements (continued)

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

Revenue recognition

Sale of goods

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

Brokerage and financial services

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

Leases

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

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

Investment income

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

Intangible assets

Goodwill

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

Impairment of goodwill and indefinite life intangible assets

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

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

Other intangibles

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

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

Property, plant and equipment

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

Depreciation

Depreciation is provided on a straight-line basis to write off property, plant and equipment over their economic useful lives.

The rates used are dependent on the circumstances in the countries in which subsidiaries operate and are as follows:

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

Freehold land is not depreciated.

Biological assets

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

Investment property

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

Non-Current asset investments

Joint ventures and associates

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

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

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

Notes to the Consolidated Financial Statements (continued)

Available for sale investments

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

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

Impairment of assets excluding goodwill

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

Inventories

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

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

Taxation

Tax liabilities are recognised where it is considered probable that there will be a future outflow of funds to a taxing authority where this can be reasonably estimated. A deferred tax asset or liability is recognised in respect of all deductible or taxable temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date except:

- (a) when the temporary difference arises on the initial recognition of goodwill;
- (b) when temporary difference arises on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit;
- (c) when the temporary difference is associated with investments in subsidiaries, associates and joint ventures and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

Cash and cash equivalents

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

Interest-bearing loans and borrowings

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

Provisions

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

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

Contingent assets

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

Share capital

Ordinary shares and "A" Preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Included in Share Capital are treasury shares held by the Employee Share Trust. The cost of acquiring treasury shares is deducted from equity. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale, issue or cancellation of equity shares.

Borrowing costs

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

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

Financial instruments

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

Notes to the Consolidated Financial Statements (continued)

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

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

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

Physical commodity contracts fall into two types:

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

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

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

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

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

Level 2 utilises quoted prices in an active market for similar products or derives the valuation from other observable or market corroborated inputs into an industry standard model; and

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

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

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

Hedging

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

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

Securities purchased/sold under agreements to resell/repurchase

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

Pensions

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

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

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

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

Employee share option schemes

The Group issues equity-settled share-based payments to certain employees (including directors) whereby employees render services in exchange for shares or rights over shares. The cost of the share-based payment transactions with employees is measured by reference to the fair value of the shares awarded as at the date the award is granted.

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

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

Business combinations

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

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

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

Notes to the Consolidated Financial Statements (continued)

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

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

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

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

2. Operating analysis

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

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

Divisional analysis of net assets

	30 September 2016 \$m	30 September 2015 \$m
Business division		
Agricultural Commodities	718.2	738.3
Brokerage	258.5	205.5
	976.7	943.8
Geographical area		
Europe	400.0	450.5
The Americas	398.4	407.1
Rest of the World	178.3	86.2
	976.7	943.8

Divisional analysis of profit before tax

	30 September 2016 \$m	30 September 2015 \$m
Business division		
Agricultural Commodities	74.7	94.6
Brokerage	27.2	23.2
	101.9	117.8
Geographical area		
Europe	55.9	41.3
The Americas	15.1	67.9
Rest of the World	30.9	8.6
	101.9	117.8

Central costs have been proportionately allocated based on Net Assets.

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

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

3. Revenue analysis

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

	30 September 2016 \$m	30 September 2015 \$m
Sale of goods	7,831.9	7,848.3
Brokerage and financial services	403.4	342.1
	8,235.3	8,190.4

4. Operating profit

Operating profit is stated after charging/(crediting):

	Note	30 September 2016 \$m	30 September 2015 \$m
Depreciation of property, plant and equipment	9	44.3	24.9
Amortisation of intangible assets	8	3.7	4.8
Expenses arising from share option plans	23	32.9	29.0
Foreign exchange translation (gain)		(2.5)	(3.1)
Auditor's remuneration: - auditing of accounts		2.9	3.1
- taxation compliance services		0.2	0.1
- other services		0.1	0.1
Operating lease rentals		22.5	20.0
Impairment of goodwill		-	1.9

Notes to the Consolidated Financial Statements (continued)

5. Directors' remuneration

	30 September 2016 \$m	30 September 2015 \$m
Remuneration	10.8	7.5
Amounts charged in respect of pension schemes	-	0.1
Amounts paid to third parties in respect of directors' services	-	0.1

	30 September 2016 Number	30 September 2015 Number
Members of money purchase pension schemes	2	2
Members of defined benefit schemes	-	-
Directors who were granted share options in the year	2	3
Directors who exercised share options in the year	-	-

The remuneration paid to the highest paid director was \$6.3 million (2015: \$3.0 million) including amounts charged in respect of pension scheme of \$Nil (2015: \$Nil).

6. Personnel costs and employee benefits

Personnel costs

	30 September 2016 \$m	30 September 2015 \$m
Wages and salaries	323.9	222.2
Social security costs	36.7	23.6
Other pension costs	13.9	13.3
	374.5	259.1

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

	30 September 2016 \$m	30 September 2015 \$m
Trading and administration	3,010	1,745
Industrial and seasonal	3,875	2,291
	6,885	4,036

Included in cost of goods sold are personnel costs of \$94.1 million (2015: \$77.1 million). Other personnel costs are included in selling and administrative expenses.

Employee benefits

The principal pension arrangements in the Group are defined contribution schemes, the largest of which is the Group's pension plan for UK employees. The costs have been charged to the profit or loss as incurred and at the balance sheet date there were no outstanding or prepaid contributions. In addition, the Group operated three defined benefit schemes and one long-term employee benefits scheme during the financial year ended 30 September 2016 in Germany, Switzerland, Japan and Chile respectively.

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

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

	30 September 2016 %	30 September 2015 %
Main assumptions		
Rate of salary increases	1.0 - 2.0	1.0 - 2.0
Discount rate	0.3 - 1.3	1.0 - 2.2
Inflation	0.5 - 2.0	1.0 - 2.0

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

	30 September 2016 \$m	30 September 2015 \$m
Service cost:		
Current service cost	(2.1)	(0.9)
Past service cost and gain from settlements	-	0.6
Net interest expense	(0.3)	(0.4)
Components of defined benefit costs recognised in the profit or loss	(2.4)	(0.7)

The amounts recognised in the Consolidated Statement of Comprehensive Income for the year to 30 September are as follows:

	30 September 2016 \$m	30 September 2015 \$m
The return on plan assets (excluding amounts included in net interest expense)	(0.2)	(0.4)
Actuarial gains arising from changes in demographic assumptions	0.5	-
Actuarial losses arising from changes in financial assumptions	(3.6)	(2.0)
Actuarial gains arising from experience adjustments	0.1	0.4
Other	-	(0.4)
Re-measurement of the net defined benefit liability	(3.2)	(2.4)

Notes to the Consolidated Financial Statements (continued)

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

	30 September 2016 \$m	30 September 2015 \$m
Present value of defined benefit obligations	(38.8)	(30.8)
Fair value of scheme assets	18.5	15.7
Net liability arising from defined benefit obligations	(20.3)	(15.1)

The scheme's assets consist of retirement savings of employees 99% (2015: 100%) and assets 1%.

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

The actuarial gains and losses recognised in other comprehensive income relating to the actual return on scheme assets less the expected return on scheme assets for the year are losses of \$3.2 million (2015: losses of \$2.4 million). The cumulative amount of actuarial losses recognised in the Consolidated Statement of Other Comprehensive Income to 30 September 2016 is \$10.7 million (2015: \$7.5 million).

The total contributions to the defined benefit plans in the next year are expected to be \$1.1 million (2015: \$1.0 million).

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

7. Tax

	30 September 2016 \$m	30 September 2015 \$m
Tax on profits		
Current tax		
Current year	28.7	38.2
Adjustments in respect of prior years	(2.7)	(7.2)
	26.0	31.0
Deferred tax		
Current year	(0.7)	(18.6)
Adjustments in respect of prior years	2.8	2.0
	2.1	(16.6)
Tax charge on profits	28.1	14.4

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

Profit before taxation	101.9	117.8
Less: Share of loss of entities accounted for using the equity method	12.2	31.6
Parent company and subsidiaries profit before taxation	114.1	149.4

7. Tax (continued)

	30 September 2016 \$m	30 September 2015 \$m
Taxation charge calculated at the standard UK tax rate of 20.0% (2015: 20.5%)	22.8	30.6
Effects of:		
Expenses not deductible for tax purposes	4.8	6.1
Adjustment for different tax rates	(2.9)	1.0
Effect of changes in tax rate	1.6	-
Adjustment in relation to prior years	0.1	(5.2)
Impairment of fixed assets	-	0.6
Utilisation of tax losses brought forward	(5.3)	(4.7)
Current year tax losses not recognised	6.6	14.2
Acquisition of subsidiary	-	(29.7)
Provision against investments	0.4	1.5
Total tax	28.1	14.4

Deferred tax relates to the following:

	Profit or Loss		Balance Sheet	
	30 September 2016 \$m	30 September 2015 \$m	30 September 2016 \$m	30 September 2015 \$m
Depreciation	(8.3)	0.9	(35.2)	(26.5)
Loss carry forward	(1.5)	(1.9)	35.9	37.4
Fair value gains and losses	2.9	(2.0)	(15.2)	(15.1)
Share-based payments	3.2	0.7	12.6	8.9
Other temporary differences	1.6	18.9	19.8	13.1
Net deferred tax (charge)/asset	(2.1)	16.6	17.9	17.8

Of which

- deferred tax liabilities	(25.2)	(26.2)
- deferred tax assets	43.1	44.0

At 1 October	17.8	3.3
Tax (charge)/credit	(2.1)	16.6
Acquisition of subsidiary	(1.5)	15.6
Transfer to/from other comprehensive income	3.7	(0.5)
At 30 September	17.9	35.0
Effects of prior year business combination	-	(17.2)
At 30 September restated for business combination	17.9	17.8

The total tax effect relating to the disposal of non-current assets and provision against investments in the profit or loss is \$Nil (2015: \$2.0 million) and the tax effect in the other comprehensive income is \$Nil (2015: \$Nil).

Deferred tax has not been recognised in respect of certain tax losses of \$134.0 million (2015: \$150.0 million) because it is not probable that future profits will be available against which the Group can utilise the benefits.

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

As at 30 September 2016 the undistributed reserves for which deferred tax liabilities have not been recognised were \$205.0 million (2015: \$167.0 million) in respect of subsidiaries, joint ventures and associates as it is unlikely that such undistributed profits will be distributed in the foreseeable future.

Notes to the Consolidated Financial Statements (continued)

8. Intangible assets

	Goodwill \$m	Software \$m	Other Intangibles \$m	Total \$m
Cost				
Reported at 1 October 2015	39.4	29.5	24.2	93.1
Adjustment to prior year business combination	-	-	(1.4)	(1.4)
Adjusted at 1 October 2015	39.4	29.5	22.8	91.7
Additions	-	6.2	-	6.2
Acquisition of subsidiary undertakings	1.7	-	-	1.7
Disposals	(1.3)	(7.2)	-	(8.5)
Exchange rate differences	(0.7)	(0.1)	-	(0.8)
At 30 September 2016	39.1	28.4	22.8	90.3
Amortisation				
At 1 October 2015	-	(19.3)	-	(19.3)
Charge for the year	-	(2.6)	(1.1)	(3.7)
Disposals	-	6.7	-	6.7
Exchange rate differences	-	(0.1)	-	(0.1)
At 30 September 2016	-	(15.3)	(1.1)	(16.4)
Accumulated impairment losses				
At 1 October 2015	(1.9)	-	-	(1.9)
Disposals	0.2	-	-	0.2
At 30 September 2016	(1.7)	-	-	(1.7)
Carrying amount				
At 30 September 2016	37.4	13.1	21.7	72.2
Adjusted at 30 September 2015	37.5	10.2	22.8	70.5

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

	30 September 2016 \$m	30 September 2015 \$m
Marketing of commodities	16.2	16.1
Processing of commodities	18.2	18.4
Financial services	2.7	2.7
Other	0.3	0.3
	37.4	37.5

There is no goodwill acquired in a business combination that remains unallocated at the end of the reporting period. The recoverable amounts of the CGUs are determined from value in use calculations based on approved financial budgets and forecasts for the next three years. The key assumptions for the value in use calculations are those regarding discount rates, commodity prices, volumes handled, operating costs and growth rates in future periods. Assumptions around prices, volumes and operating costs are based on management experience and market research data. Cash flows beyond three year budget forecasts have generally been extrapolated at a growth rate of 2% per annum. Discount rates are applied appropriately to the risk environment of individual assets or CGU's and generally vary between 8% and 11% per annum.

9. Property, plant and equipment

	Land and Buildings		Plant & Machinery	Construction In progress	Total
	Freehold \$m	Leasehold \$m	\$m	\$m	\$m
Cost					
Reported at 1 October 2015	182.9	25.7	345.8	21.6	576.0
Adjustment to prior year business combination	47.9	-	(33.0)	(1.8)	13.1
Adjusted at 1 October 2015	230.8	25.7	312.8	19.8	589.1
Additions	8.6	3.2	58.3	1.9	72.0
Acquisition of subsidiary	0.2	-	3.7	-	3.9
Disposals	(0.9)	(0.3)	(8.9)	-	(10.1)
Transfers	(1.4)	2.9	(0.4)	(1.1)	-
Currency translation differences	(1.4)	(0.8)	(5.4)	-	(7.6)
At 30 September 2016	235.9	30.7	360.1	20.6	647.3
Accumulated depreciation and impairment					
At 1 October 2015	(14.5)	(11.4)	(93.9)	-	(119.8)
Charge for the year	(6.9)	(2.2)	(35.2)	-	(44.3)
Disposals	-	0.1	5.7	-	5.8
Currency translation differences	0.2	0.2	1.2	-	1.6
At 30 September 2016	(21.2)	(13.3)	(122.2)	-	(156.7)
Carrying amount					
At 30 September 2016	214.7	17.4	237.9	20.6	490.6
Adjusted at 30 September 2015	216.3	14.3	218.9	19.8	469.3

Notes to the Consolidated Financial Statements (continued)

10. Investment property

	\$m
Cost	
Reported at 1 October 2015	4.3
Adjustment to prior year business combination	3.1
Adjusted at 1 October 2015	7.4
Additions	0.5
Disposals	(5.6)
At 30 September 2016	2.3
Accumulated depreciation	
At 1 October 2015	-
Charge for the year	(0.1)
At 30 September 2016	(0.1)
Carrying amount	
At 30 September 2016	2.2
Adjusted at 30 September 2015	7.4

11. Investments in associates and joint ventures

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

	Joint Ventures \$m	Associates Unlisted \$m	Total \$m
Reported at 1 October 2015	75.3	28.2	103.5
Adjustment to prior year business combination	-	2.4	2.4
Adjusted at 1 October 2015	75.3	30.6	105.9
Disposals	(1.5)	(12.3)	(13.8)
Share of retained earnings	(17.1)	4.4	(12.7)
Dividends	-	(1.0)	(1.0)
Currency translation differences	(3.0)	(1.7)	(4.7)
Share of other reserves	(5.8)	-	(5.8)
At 30 September 2016	47.9	20.0	67.9

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

Name of Joint Venture	Nature of Business	Country of Incorporation	Reporting Date	Effective Group Interest
Azucar Grupo Saenz S.A. de C.V. (Saenz) ¹	Holding Company for Sugar Producer	Mexico	31 December	49%
Agrovia S.A. (Agrovia)	Sugar Logistics	Brazil	31 December	25%
Uniworld Sugars Pvt. Limited (Uniworld)	Sugar Refiner	India	31 March	50%

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

Material Joint Ventures

	2016				2015			
	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m
Non-current assets	152.8	88.8	51.4	293.0	158.5	90.5	54.8	303.8
Current assets	242.8	8.4	12.0	263.2	189.2	5.7	21.8	216.7
Total assets	395.6	97.2	63.4	556.2	347.7	96.2	76.6	520.5
Non-current liabilities	(56.9)	(0.6)	(13.0)	(70.5)	(44.7)	(0.4)	(16.3)	(61.4)
Current liabilities	(357.6)	(5.8)	(32.4)	(395.8)	(257.3)	(2.2)	(31.9)	(291.4)
Total liabilities	(414.5)	(6.4)	(45.4)	(466.3)	(302.0)	(2.6)	(48.2)	(352.8)
Total equity	(18.9)	90.8	18.0	89.9	45.7	93.6	28.4	167.7
Group's share of equity	(9.3)	22.7	9.0	22.4	22.4	23.4	14.2	60.0
Carrying amount	-	22.7	9.0	31.7	22.4	23.4	14.2	60.0

	2016				2015			
	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m
Revenue	219.7	7.7	82.2	309.6	188.7	29.4	71.0	289.1
Loss for the year	(51.7)	(2.8)	(8.2)	(62.7)	(53.9)	(0.3)	(8.4)	(62.6)
Other comprehensive loss	(11.8)	-	-	(11.8)	-	-	-	-
Total comprehensive loss	(63.5)	(2.8)	(8.2)	(74.5)	(53.9)	(0.3)	(8.4)	(62.6)
Group's share of loss	(16.0)	(0.7)	(4.1)	(20.8)	(26.4)	(0.1)	(4.2)	(30.7)

¹ During the year ended 30 September 2015 Saenz was reclassified from an Associate to a Joint Venture.

Notes to the Consolidated Financial Statements (continued)

Assets and liabilities include the following:

	2016				2015			
	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m
Cash and cash equivalents	4.5	0.3	3.7	8.5	6.5	1.5	4.5	12.5
Current financial liabilities ²	(30.9)	-	(16.9)	(47.8)	(59.1)	-	(11.5)	(70.6)
Non-current financial liabilities ²	(25.0)	-	(13.0)	(38.0)	(22.7)	-	(16.3)	(39.0)

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

	2016				2015			
	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m	Saenz \$m	Agrovia \$m	Uniworld \$m	Total \$m
Depreciation and amortisation	(6.4)	(1.2)	(2.5)	(10.1)	(7.6)	(1.3)	(1.3)	(10.2)
Net interest (charge)/income	(17.1)	(0.1)	(4.2)	(21.4)	(5.5)	0.3	(3.6)	(8.8)
Income tax credit	-	0.7	-	0.7	5.7	0.1	-	(5.8)

Immaterial Joint Ventures

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

	30 September 2016 \$m	30 September 2015 \$m
Group's share of:		
Profit after tax	3.7	1.1
Other comprehensive income	-	-
Total comprehensive income	3.7	1.1
Carrying amount of interests in immaterial joint ventures	16.2	15.3

No dividends have been received in the years ended 30 September 2016 and 2015.

² Financial liabilities exclude trade, other payables and provisions

Material Associates

Summarised financial information in respect of IANSA is presented below. The statement of comprehensive income represents the results of IANSA for the period up until the Group acquired a controlling interest in the associate in September 2015.

	30 September 2015 \$m
Revenue	521.4
Profit for the year	5.1
Other comprehensive income	4.6
Total comprehensive income	9.7
Group's share of profit	2.2

Immaterial Associates

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

	30 September 2016 \$m	30 September 2015 \$m
Group's share of:		
Profit/(loss) after tax	4.4	(4.1)
Other comprehensive income	-	-
Total comprehensive income/(loss)	4.4	(4.1)
Carrying amount of interests in immaterial associates	20.0	30.6

The Group's share of contingent liabilities of joint ventures and associates incurred jointly with other venturers or investors was \$Nil (2015: \$Nil).

Dividends from associates of \$1.0 million (2015: \$3.0 million) have been received during the year.

12. Available for sale investments

	Unlisted \$m	Listed \$m	Total \$m
Cost			
At 1 October 2015	33.6	5.3	38.9
Additions	2.2	-	2.2
Disposals	(1.7)	-	(1.7)
Revaluation	-	0.8	0.8
At 30 September 2016	34.1	6.1	40.2
Amounts provided			
At 1 October 2015	(23.6)	(0.4)	(24.0)
Written off in year	(2.5)	-	(2.5)
At 30 September 2016	(26.1)	(0.4)	(26.5)
Carrying amount			
At 30 September 2016	8.0	5.7	13.7
At 30 September 2015	10.0	4.9	14.9

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

Notes to the Consolidated Financial Statements (continued)

13. Business combinations

At 30 September 2016

During the year the Group acquired a 100% interest in Feedimpex B.V. and Mercatura B.V., a beet pulp pellet trader based in the Netherlands, the assets of an animal feed business, Pallium SA, based in Mexico and 70% of E D & F Man Ingredients s.r.o., a sugar production and distribution company based in the Czech Republic. The effect of these acquisitions is summarised below.

Man Ingredients was formed by the Group and a third party contributing assets to form a new entity. The assets contributed by the Group as consideration cannot be restated to their fair value on acquisition, since these continue to be controlled by the Group and this has resulted in the recognition of negative goodwill.

Aggregate net assets at date of acquisition:

	Book Value 2015 \$m	Acquisition Fair Value Adjustments 2016 \$m	Fair Value to Group 2016 \$m
Assets and liabilities acquired			
Non-current assets	4.6	-	4.6
Cash and cash equivalents	4.9	-	4.9
Other current assets	16.5	4.7	21.2
Current liabilities	(13.6)	-	(13.6)
Non-current liabilities	-	(1.7)	(1.7)
Total identifiable assets acquired	12.4	3.0	15.4
Non-controlling interest			(1.9)
Goodwill			1.7
Negative goodwill			(1.0)
Total consideration			14.2
Cash flow analysis			
Cash consideration			14.2
Less: cash and cash equivalents			(4.9)
Net cash outflow arising on acquisition			9.3

At 30 September 2015

(updated to reflect completion of fair value exercise in 2016)

In September 2015, the Group acquired a further effective 46.28% equity interest in its associate IANSA, a publicly listed company in Chile, via a public tender offer. This resulted in the Group having a controlling interest of 89.02% in IANSA. IANSA is one of the main agribusiness groups in Chile, specialising in the production and sale of sugar and sugar beet sub-products, as well as fruit juice, tomato paste and animal feed.

The net assets recognised at 30 September 2015 were based on a provisional assessment of their fair value while the Group sought an independent valuation. The final fair value assessment was completed in March 2016 and final adjustments to the acquisition purchase price are reflected below:

	Book Value 2015 \$m	Provisional Adjustments 2015 \$m	Provisional Fair Value 2015 \$m	Final Adjustments 2016	Fair Value to Group 2016
Assets and liabilities acquired					
Intangible assets	5.0	21.0	26.0	(1.4)	24.6
Property, plant and equipment	229.5	7.7	237.2	13.1	250.3
Investment properties	4.3	-	4.3	3.1	7.4
Investment in associate	7.3	-	7.3	2.4	9.7
Inventories	193.0	(1.0)	192.0	-	192.0
Biological assets	3.6	-	3.6	-	3.6
Trade and other receivables	195.6	-	195.6	-	195.6
Cash and cash equivalents	11.8	-	11.8	-	11.8
Trade and other payables	(112.1)	(19.4)	(131.5)	-	(131.5)
Bank loans and overdrafts	(197.2)	-	(197.2)	-	(197.2)
Deferred tax	20.4	(4.8)	15.6	(17.2)	(1.6)
Total identifiable assets	361.2	3.5	364.7	-	364.7
Non-controlling interests – proportionate share of acquired net assets					(29.4)
Transaction value of controlling interest including costs					(180.6)
Bargain purchase gain					154.7
Deemed loss on disposal of former associate					(68.7)
Net gain on acquisition of subsidiary					86.0
Cash flow analysis					
Cash consideration					77.8
Less: cash and cash equivalents acquired					(11.8)
Net cash outflow arising on acquisition					66.0

Notes to the Consolidated Financial Statements (continued)

14. Inventories

	30 September 2016 \$m	30 September 2015 \$m
Inventories held for trading	1,152.2	836.1
Held for own use	241.3	213.5
	1,393.5	1,049.6

Inventories written down to net realisable value in the year resulted in a charge of \$0.5 million (2015: \$1.1 million). This is recognised in cost of sales. Inventories held for trading are recorded at fair value less costs to sell and classified as a Level 2 valuation derived from observable market inputs.

15. Biological assets

	30 September 2016 \$m	30 September 2015 \$m
Biological assets	13.5	8.8

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

16. Trade and other receivables

	30 September 2016 \$m	30 September 2015 \$m
Current receivables		
Trade receivables	1,392.2	1,516.6
Amounts owed by joint ventures and associates	254.6	107.4
Other receivables	124.4	122.8
Tax receivables	75.7	65.0
Margins with exchanges	1,949.7	1,128.8
Prepayments	251.0	234.7
	4,047.6	3,175.3
Non-current receivables		
Trade receivables	23.0	43.7
Other receivables	16.1	15.9
Amounts owed by joint ventures and associates	23.9	43.7
	63.0	103.3

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

17. Trade and other payables

	30 September 2016 \$m	30 September 2015 \$m
Current payables		
Trade payables	3,310.3	1,946.3
Amounts owed to joint ventures and associates	3.1	1.3
Taxation and social security costs	33.7	55.0
Margins with Exchanges	23.9	11.9
Accruals and deferred income	400.8	483.2
Other payables	43.2	18.4
	3,815.0	2,516.1
Non-current payables		
Trade and other payables	16.0	3.2

18. Loans and overdrafts

	30 September 2016 \$m	30 September 2015 \$m
Amounts due for settlement:		
- in one year or less	1,793.6	1,730.6
- in more than one year but less than five years	716.5	366.8
- in more than five years	120.0	77.7
	2,630.1	2,175.1

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

Notes to the Consolidated Financial Statements (continued)

19. Financial instruments and financial risk management

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

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

	At Fair Value through Profit or Loss \$m	Loans and Receivables \$m	Available for Sale \$m	Cash on Deposit \$m	Amortised Cost \$m
Financial assets					
Trade and other receivables	-	2,969.2	-	-	-
Available for sale investments	-	-	14.9	-	-
Cash and cash equivalents	-	-	-	801.1	-
	-	2,969.2	14.9	801.1	-
<i>Other financial assets</i>					
Securities purchased under agreements to resell	-	6,627.0	-	-	-
Derivative financial instruments	710.6	-	-	-	-
Marketable securities	1,084.8	-	-	-	-
	1,795.4	6,627.0	-	-	-
Total financial assets	1,795.4	9,596.2	14.9	801.1	-
Financial liabilities					
Trade and other payables	-	-	-	-	(2,455.7)
Loans and overdrafts	-	-	-	-	(2,175.1)
	-	-	-	-	(4,630.8)
<i>Other financial liabilities</i>					
Derivative financial instruments	(643.7)	-	-	-	-
Securities sold under agreements to repurchase	-	-	-	-	(7,856.6)
Other financial instruments	(39.4)	-	-	-	(43.9)
	(683.1)	-	-	-	(7,900.5)
Total financial liabilities	(683.1)	-	-	-	(12,531.3)
At 30 September 2015	1,112.3	9,596.2	14.9	801.1	(12,531.3)

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

All marketable securities are held for trading.

As at 30 September 2016 marketable securities with a fair value of \$863.9 million (2015: \$943.6 million) have been sold with a commitment to repurchase at a future date. The consideration received has been accounted for within "Financial liabilities" and measured at amortised cost.

Securities purchased under agreements to resell back to clients are categorised as "Loans and receivables".

The Group has the right to re-pledge the collateral received. The consideration received under such re-pledges is accounted for within "Financial liabilities" and measured at amortised cost.

Notes to the Consolidated Financial Statements (continued)

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

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

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

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

	Less than 1 year \$m	1-2 years \$m	2-3 years \$m	3-4 years \$m	4-5 years \$m	More than 5 years \$m	Total \$m
Financial assets							
Level 1	715.8	4.1	-	-	-	-	719.9
Level 2	1,339.9	2.6	0.5	-	-	-	1,343.0
	2,055.7	6.7	0.5	-	-	-	2,062.9
Financial liabilities							
Level 1	(386.6)	(0.4)	-	-	-	-	(387.0)
Level 2	(311.5)	(11.6)	(3.8)	(1.7)	-	-	(328.6)
	(698.1)	(12.0)	(3.8)	(1.7)	-	-	(715.6)
Net fair value 30 September 2016	1,357.6	(5.3)	(3.3)	(1.7)	-	-	1,347.3
	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	931.8	-	-	-	-	-	931.8
Level 2	856.5	8.5	1.8	1.7	-	-	868.5
	1,788.3	8.5	1.8	1.7	-	-	1,800.3
Financial liabilities							
Level 1	(465.6)	(2.8)	(0.2)	-	-	-	(468.6)
Level 2	(191.6)	(16.3)	(3.0)	(2.3)	(1.3)	-	(214.5)
	(657.2)	(19.1)	(3.2)	(2.3)	(1.3)	-	(683.1)
Net fair value 30 September 2015	1,131.1	(10.6)	(1.4)	(0.6)	(1.3)	-	1,117.2

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

Day-one profit or loss

The fair value of contracts not recognised through the profit or loss at 30 September 2016 was \$Nil (2015: \$Nil).

Financial risk management objectives and policies

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

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

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

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

Capital management

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

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

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

	30 September 2016 \$m	30 September 2015 \$m
Total net assets attributable to non-controlling interest and equity shareholders	976.7	943.8
Less: Non-controlling interest	(44.3)	(44.1)
Shareholders' funds attributable to equity shareholders of E D & F Man Holdings Limited	932.4	899.7

Market risk

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

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

Notes to the Consolidated Financial Statements (continued)

(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 \$20.4 million at 30 September 2016 (2015: \$9.5 million).

(b) Foreign currency exchange risk

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

(c) Interest rate risk

Other than the Group's outstanding long-term debt issued on a fixed rate basis, the Group's policy is to borrow funds at floating rates of interest that broadly match the period in which the Group owns or economically finances its underlying commodity purchases. The Group's borrowings of \$2,630.1 million (2015: \$2,175.1 million) are predominantly denominated in US Dollars, Sterling and Euros. The Group's profit or loss is influenced by interest rates. The effect on profit before tax of a 50 basis point movement in interest rates on the borrowings identified above would be \$11.5 million (2015: \$9.8 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 receivables in the event of non-performance by a counterparty, deposits with financial institutions, marketable securities (generally US sovereign bonds) and derivative financial instrument default risk on undelivered forward transactions.

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

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

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

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

The maximum credit exposure associated with financial assets is equal to the carrying amount plus any credit commitments to counterparties that are unutilised and are analysed below. The Group mitigates risk by entering into contracts that permit netting and allow for termination of a contract in the event of default. Trade receivables and derivative financial instrument movements are presented on a net basis where unconditional netting arrangements are in place with counterparties, and where there is intent to settle amounts due on a net basis. Gross derivative financial instrument liabilities not netted against derivative financial assets totalled \$621.0 million (2015: \$643.7 million) and are shown in liabilities on the balance sheet.

	30 September 2016 \$m	30 September 2015 \$m
Maximum credit exposure		
Trade and other receivables	1,576.7	1,706.2
Amounts owed by joint ventures and associates	278.5	151.1
Securities purchased under agreements to resell	9,449.0	6,627.0
Margins with exchanges	1,949.7	1,128.8
Derivative financial instruments	885.0	710.6
Marketable securities	1,172.2	1,084.8
Cash and cash equivalents	990.1	801.1
	16,301.2	12,209.6

The Group applies a conservative approach to counterparty risk and counterparty creditworthiness. The credit quality of financial assets is considered to be high. Trade receivables are collected where possible under documentary collections presented through prime banks. The Group may also require collateral or other credit enhancements such as cash deposits, letters of credit, pledged Inventories or parent company guarantees to reduce or offset credit risk.

As at 30 September 2016, \$564.9 million of the trade receivables have collateral pledged (2015: \$392.1 million). The fair value of such collateral and credit enhancements, including cash deposits, pledged Inventories, parent company guarantees and letters of credit was \$670.1 million (2015: \$445.1 million). The amounts disclosed in the financial instruments analysis are shown without the benefit of risk mitigation through insurance, collateral or other credit enhancements. During the year the Group repossessed collateral with a value of \$15.7 million.

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

Receivables arising from securities purchased under agreements to resell back to clients are collateralised by the underlying securities. As at 30 September 2016 the receivables in respect of such transactions were \$9,449.0 million (2015: \$6,627.0 million). As at 30 September 2016 the securities held as collateral net of obligation to clients had a market value of \$9,772.0 million and were comprised principally of US Treasury and US Agency Securities. The collateral is valued daily and the Group may require clients to deposit additional collateral or return collateral pledged as appropriate.

As at 30 September 2016, marketable securities of \$1,172.2 million (2015: \$1,084.8 million) comprised principally US Treasury Securities, US Government Agency and US Government Sponsored Securities.

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

	30 September 2016 \$m	30 September 2015 \$m
Trade receivables		
Neither impaired nor past due	1,264.9	1,334.0
Not impaired and past due in the following periods:		
Within 30 days	85.9	145.5
31 to 60 days	29.5	20.4
61 to 90 days	10.3	9.6
Over 90 days	24.6	50.8
	1,415.2	1,560.3

Notes to the Consolidated Financial Statements (continued)

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

	30 September 2016 \$m	30 September 2015 \$m
Allowance for credit losses		
Balance brought forward	90.3	63.6
Acquisition of subsidiary undertakings	-	9.4
Charge for the year	7.6	25.2
Utilisation	(6.6)	(1.9)
Reversal	(19.5)	(6.0)
Balance carried forward	71.8	90.3

Liquidity risk

Liquidity risk is the risk that the Group may not be able to settle or meet its obligations on time. The principal objective of the Group's Treasury function is to manage liquidity and interest rate risks. The Group's Treasury function centrally coordinates relationships with banks, borrowing requirements, foreign exchange requirements, and cash management. Other responsibilities include management of the Group's cash resources and structure of borrowings, monitoring of all significant treasury activities undertaken by the Group, benchmarking significant treasury activities, and monitoring banking loan covenants to ensure continued compliance.

The Group manages its liquidity risk on a consolidated basis, utilising various sources of finance to maintain flexibility. Unless restricted by local regulations, subsidiaries pool their cash surpluses with Group Treasury which arranges to fund each subsidiary's requirements, invests any surplus in the market, or arranges for external borrowings, while managing the Group's overall net currency positions.

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

The Group has committed, unsecured facilities of \$3,050 million (2015: \$3,164 million), which include medium-term multicurrency syndicated facilities of \$1,600 million (2015: \$1,775 million) and 364 day revolving facilities of \$1,450 million (2015: \$1,389 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 2016 was \$1,965 million (2015: \$1,666 million). The Group commenced the year with \$65 million of fixed interest notes (\$20 million maturing in 2021 and \$45 million maturing in 2024). During the year the Group issued an additional \$90 million of fixed interest notes, \$20 million maturing in 2021, \$35 million maturing in 2023 and \$35 million maturing in 2026. The Group also has other drawn debt facilities of \$509.8 million (2015: \$444.6 million). During the year, the Group incurred interest expenses of \$99.7 million (2015: \$87.4 million) of which \$29.0 million related to interest paid on facilities due after more than one year (2015: \$23.5 million).

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

	Trade payables \$m	Loans and Overdrafts \$m	Derivative Financial Instruments \$m	Securities Sold Under Agreements to Repurchase \$m	Other Financial Instruments \$m
Financial liabilities					
Within 1 month	3,202.4	2,093.0	404.3	10,399.4	94.6
1 to 3 months	95.1	141.6	101.2	93.9	-
3 months to 1 year	12.8	152.3	98.0	-	-
1 to 2 years	-	12.5	12.0	-	-
2 to 5 years	-	110.7	5.5	-	-
More than 5 years	-	120.0	-	-	-
At 30 September 2016	3,310.3	2,630.1	621.0	10,493.3	94.6
Financial liabilities					
Within 1 month	1,890.8	1,818.6	510.5	7,354.9	63.0
1 to 3 months	37.3	126.8	33.7	1.7	15.2
3 months to 1 year	18.2	60.9	73.6	300.0	5.1
1 to 2 years	-	30.6	18.8	200.0	-
2 to 5 years	-	60.5	7.1	-	-
More than 5 years	-	77.7	-	-	-
At 30 September 2015	1,946.3	2,175.1	643.7	7,856.6	83.3

20. Provisions

	Legal claims \$m	Other provisions \$m	Total \$m
At 1 October 2015	4.2	5.2	9.4
Charge	-	4.6	4.6
Utilised	(0.4)	(0.3)	(0.7)
Written back	(0.6)	(1.3)	(1.9)
At 30 September 2016	3.2	8.2	11.4

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.

Notes to the Consolidated Financial Statements (continued)

21. Share capital

Shares of US \$1 each attributable to equity interests	Allotted, called up and fully paid US \$1 each		"A" Preference shares of US \$1 each	
	Number	\$m	Number	\$m
At 1 October 2015	138,231,234	138.2	46,075,090	46.1
Conversion of ordinary shares to "A" preference shares	(18,430,632)	(18.4)	18,430,632	18.4
At 30 September 2016	119,800,602	119.8	64,505,722	64.5

On 8 September 2016, Südzucker Holding GmbH ("Südzucker") acquired an additional 10.00% equity stake in the Group, taking their total holding from 24.99% to 34.99% via the 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 US\$5.8411 per share representing 2% per annum based on their issue price.

22. Share premium account

Share premium	\$m
At 1 October 2015	168.0
At 30 September 2016	168.0

23. Employee trusts

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

The Trust holds 26,626,093 (2015: 24,638,311) shares in the Company, of which 20,398,688 (2015: 18,006,857) have been conditionally awarded to employees. The Trust buys and sells shares in the Company at the Fair Price calculated as defined in the Company's Articles of Association. The cost of the shares purchased and held by the Trust of \$90 million (2015: \$98 million) is deducted from shareholders' funds.

Share options

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

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

The directors consider that the fair value of share awards is represented by the Fair Price of the Company's shares as at the date the award is granted. The charge for the year to 30 September 2016 was \$32.9 million (2015: \$29.0 million).

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

	Number of Shares 2016	Number of Shares 2015
Outstanding at 1 October	18,006,857	20,250,548
Granted	6,816,709	6,371,706
Exercised	(3,955,432)	(5,312,752)
Lapsed	(377,278)	(3,210,481)
Cancelled	(92,168)	(92,164)
Outstanding at 30 September	20,398,688	18,006,857

	Number of Shares 2016	Number of Shares 2015
Exercisable as follows		
Immediately exercisable	2,629,621	3,334,567
October 2015 to September 2016	1,830,382	5,016,238
October 2016 to September 2017	6,493,365	4,276,412
October 2017 to September 2018	5,369,861	3,349,867
October 2018 to September 2019	3,963,100	1,917,414
October 2019 to September 2020	112,359	112,359
	20,398,688	18,006,857

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 2016 and at 30 September 2015, the Group had no unexercised obligations under this plan.

Notes to the Consolidated Financial Statements (continued)

24. Notes to the cash flow statement

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

	30 September 2016 \$m	30 September 2015 \$m
Revenue	8,235.3	8,190.4
Cost of sales	(7,550.0)	(7,691.9)
Selling and administrative expenses	(492.3)	(352.8)
	193.0	145.7
Adjustments for:		
Depreciation of property, plant and equipment	44.4	24.9
Amortisation of intangible assets	3.7	4.8
Expenses arising from share option plans	32.9	29.0
Effects of fair value	52.7	(39.2)
Movements in provisions	2.1	(1.4)
Operating cash flows before movements in working capital	328.8	163.8
Movement in inventories	(229.4)	317.2
Movement in biological assets	(4.7)	(2.8)
Movement in marketable securities	(87.4)	(764.0)
Movement in securities purchased/sold under agreements to resell/repurchase	(185.3)	1,196.8
Movement in receivables	(789.7)	98.4
Movement in payables	913.9	(561.4)
Cash (used in)/generated by operations	(53.8)	448.0
UK corporation tax paid	(1.1)	(7.9)
Overseas taxation paid	(37.7)	(11.6)
Net cash (outflow)/inflow from operating activities	(92.6)	428.5

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

	Note	30 September 2016 \$m	30 September 2015 \$m
Increase in cash		186.2	292.6
Increase in borrowings	25	(451.3)	(105.2)
Movement in net debt resulting from cash flows		(265.1)	187.4
Loans acquired on acquisition of subsidiary undertaking		-	(177.0)
Effect of change in exchange rates	25	(0.9)	0.2
Movement in net debt		(266.0)	10.6
Opening net debt		(1,374.0)	(1,384.6)
Closing net debt	25	(1,640.0)	(1,374.0)

25. Analysis of changes in net debt

	Cash and cash equivalents \$m	Current liabilities \$m	Non-current liabilities \$m	Net debt \$m
At 1 October 2015	801.1	(1,730.6)	(444.5)	(1,374.0)
Cash flow	186.2	(59.3)	(392.0)	(265.1)
Exchange movements	2.8	(3.7)	-	(0.9)
At 30 September 2016	990.1	(1,793.6)	(836.5)	(1,640.0)

26. Financial commitments

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

	Plant and Machinery		Land and Buildings	
	30 September 2016 \$m	30 September 2015 \$m	30 September 2016 \$m	30 September 2015 \$m
Operating leases				
Within one year	14.8	13.9	10.7	10.7
Between one and five years	48.0	56.8	47.7	43.4
After five years	32.8	27.3	45.5	51.5
	95.6	98.0	103.9	105.6
		30 September 2016 \$m		30 September 2015 \$m
Expenditure contracted for but not provided in the financial statements		3.7		10.2

Joint ventures and associates

The Group and Company's share of capital commitments, as at the end of the financial year, of its joint ventures and associates was \$Nil (2015: \$Nil).

27. Contingent assets and contingent liabilities

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

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

The Group's share of contingent liabilities of associates and joint ventures incurred jointly with other ventures or investors was \$Nil (2015: \$Nil).

Notes to the Consolidated Financial Statements (continued)

28. Related party transactions

Group

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

	Sales		Purchases		Amounts owed from		Amounts owed to	
	2016 \$m	2015 \$m	2016 \$m	2015 \$m	2016 \$m	2015 \$m	2016 \$m	2015 \$m
Agricultural Commodities:								
Associates	41.8	100.8	21.8	24.6	4.3	5.4	-	-
Joint Ventures	35.5	38.4	91.4	154.9	274.2	135.6	3.1	0.8
Equity Investor	40.8	42.1	23.7	10.7	-	0.7	(0.4)	0.1
Brokerage:								
Associates	-	-	-	-	-	1.8	-	0.5
Joint Ventures	-	-	-	-	-	8.3	-	-

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

As at 30 September 2016 loans to directors of \$29.8 million (2015: \$30.2m) are outstanding. Of these loans \$25.2 million are non-interest bearing, repayable upon demand and fully-collateralised, and \$4.6 million are interest-bearing, are repayable on demand and are fully-collateralised. During the year \$2.0 million was repaid and \$1.6 million of new loans were advanced. Loan balances relate to five directors in the amounts of \$1.0 million, \$4.0 million, \$3.5 million, \$7.2 million and \$14.1 million.

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

29. Events after the financial period

There have been no significant subsequent events.

30. Group investments

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

Advanced Feed Fats Limited (England & Wales), Agman Holdings Limited (England & Wales)*, Agman Investments Limited (England & Wales), Bauche SA Limited (England & Wales), E D & F Man Capital Markets Limited (England & Wales)*, E D & F Man Capital Markets Treasury Management Plc (England & Wales)*, E D & F Man Chile Limited (England & Wales), E D & F Man Cocoa Limited (England & Wales), E D & F Man Coffee Limited (England & Wales), E D & F Man Financial Services Holdings Limited (England & Wales)*, E D & F Man Fishoils Limited (England & Wales), E D & F Man Liquid Products UK Limited (England & Wales), E D & F Man Metals Limited (England & Wales), E D & F Man Nicaragua Limited (England & Wales), E D & F Man Shipping Limited (England & Wales), E D & F Man Sugar Limited (England & Wales), E D & F Man Sugar Overseas Holdings Limited (England & Wales), E D & F Man Terminals UK Limited (England & Wales), E D & F Man Treasury Management Plc (England & Wales)*, Eurasia Finance Management Limited (77%) (England & Wales), Faxcorner Limited (England & Wales), Femis Limited (England & Wales), Holco Man Limited (England & Wales), Holco Trading Co.

Limited (England & Wales), L. K. & S. Trading Company Limited (England & Wales), Ruleastral Limited (England & Wales), Transition Feeds LLP (33.33%) (England & Wales), Premier Man Limited (England & Wales), Aeta Energy Philippines Inc. (99.99%) (Philippines), Agazucar, Sa De C.V. (30%) (Mexico), Agman Louisiana, Inc (USA), Agricola Ohuira S.A. De C.V. (30%) (Mexico), Agricola Terrandes (89.02%) (Chile), Agro Dilo Farm 1 (77%) (Ukraine), Agromas (89.02%) (Chile), Agrovía S.A. (31.53%) (Brazil), Alimentos Pr Brasil (26.71%) (Chile), Arabica Coffee Roasters (Hong Kong) Limited (20%) (Hong Kong), Asian Blending Pte Ltd (Singapore), Azucar Grupo Saenz (49%) (Mexico), Baya Agro Farm 3 (77%) (Ukraine), Beneficios Volcafe (Costa Rica) S.A. (Costa Rica), C&H Option Trading Inc. (USA), Café Capris S.A. (Costa Rica), Carcafe Ltda C.I. (Colombia), Cofi-Com Trading Pty Ltd (Australia), Commerciale Sucriere S.A. (Haiti), Compañía Azucarera De Los Mochis S.A. De C.V. (30%) (Mexico), Compania Panamericana De Comercio S.A. De C.V. (50%) (Mexico), Copag - Cia Capital De Armazens Gerais S.A. (Brazil), Dakman Vietnam Co. Limited (66.4%) (Vietnam), Distribuidora Y Comercializadora De Azucar S.A. (98.56%) (Nicaragua), E D & F Man (Shanghai) Co. Ltd (China), E D & F Man Alimentos Limitada (Chile), E D & F

Man Asia Pte. Ltd (Singapore), E D & F Man Biofuels B.V. (Netherlands), E D & F Man Brasil S.A. (Brazil), E D & F Man Canada Inc. (Canada), E D & F Man Capital Markets (Singapore) Pte Ltd (Singapore), E D & F Man Capital Markets Hong Kong Limited (Hong Kong), E D & F Man Capital Markets Inc (USA), E D & F Man Capital Markets Mexico Sa De Cv (Mexico), E D & F Man Chile Holdings Spa (Chile), E D & F Man Chile S.A (Chile), E D & F Man Client Services Inc. (USA), E D & F Man Cocoa, Inc (USA), E D & F Man Commodities Egypt Limited (Egypt), E D & F Man Commodities West Africa Limited (Ghana), E D & F Man Commodities India Pvt. Limited (India), E D & F Man Commodities Philippines Inc. (Philippines), E D & F Man D.O.O. (Slovenia), E D & F Man Deutschland GmbH (Germany), E D & F Man España, S.A. (Spain), E D & F Man Gulf DMCC (UAE), E D & F Man Holdings B.V. (Netherlands), E D & F Man Holdings Inc (USA), E D & F Man Holdings Insurances Limited (Bermuda), E D & F Man Ingredients s.r.o (70%) (Czech Republic), E D & F Man International Services A.G. (Switzerland), E D & F Man Ireland Holdings Limited (Eire), E D & F Man Korea, Limited (South Korea), E D & F Man Land Investments Ukraine B.V. (77%) (Netherlands), E D & F Man Liquid Products Mexico S.A. De C.V. (Mexico), E D & F Man Liquid Products Argentina S.A. (Argentina), E D & F Man Liquid Products Belgium N.V. (Belgium), E D & F Man Liquid Products Czech Republic S.R.O. (Czech Republic), E D & F Man Liquid Products Hungary K.F.T. (Hungary), E D & F Man Liquid Products International B.V (Netherlands), E D & F Man Liquid Products Italia Srl (Italy), E D & F Man Liquid Products Ireland Limited (Eire), E D & F Man Liquid Products Llc (USA), E D & F Man Liquid Products Nederland B.V. (Netherlands), E D & F Man Liquid Products Slovakia S.R.O. (Slovakia), E D & F Man Liquid Products South Africa (Pty) Ltd (South Africa), E D & F Man Mocambique Limitada (Mozambique), E D & F Man Molasses B.V. (Netherlands), E D & F Man Nederland B.V. (Netherlands), E D & F Man Nigeria Limited (63%) (Nigeria), E D & F Man Philippines Inc. (Philippines), E D & F Man Professional Trading Canada Inc. (Canada), E D & F Man Professional Trading Services Inc. (USA), E D & F Man Services Inc. (USA), E D & F Man Singapore Pte. Ltd (Singapore), E D & F Man Sugar, Inc (USA), E D & F Man Switzerland Ltd (Switzerland), E D & F Man Terminals Ireland Limited (Eire), E D & F Man Trading Egypt Limited (95%) (Egypt), E D & F Man Trading Poland Sp Z.O.O. (Poland), E D & F Man Ukraine Investments B.V. (77%) (Netherlands), E D & F Man Uruguay S.A. (Uruguay), E D & F Man Venezuela, S.A. (Venezuela), E D & F Man Vietnam Holdings B.V. (Vietnam), E D & F Man Volcafe Brasil Ltda (Brazil), E D & F Man West Africa Limited (Nigeria), E D & F Man (Far East) Limited (Hong Kong), E D & F Man Cocoa Sdn Bhd (Malaysia), E D & F Man Commodities Sp. Z O.O. (Poland), E D & F Man De Comercio S.A. De C.V. (Mexico), E. D. & F. Man De Mexico, S.A. De C.V. (Mexico), E D & F Man De Servicios S. A. De C.V. (Mexico), E D & F Man Grains Llc (USA), E D & F Man Grains Ukraine Llc (Ukraine), E D & F Man Peru Sac (Peru), E D & F Man Portugal Limitada (Portugal), EGC Rising Tide Hauling, Inc. (Philippines), Empresas Iansa S.A. (89.02%) (Chile), Empresa De Servicios Profesionales Aduaneros Y Cia Ltda (Colombia), Empresas De Nariño Sas (Colombia), Envasadora De Azucar, Inc. (35%) (Puerto Rico), Feedimpex B.V. (Netherlands), Generacion Industrial (89.02%) (Chile), Global Sugar Services S.L.U. (Spain), Global Sugar Trading- Comercio De Azucar, Ltda (Portugal), Gold River Liquid Products Llc (51%) (USA), Gollucke & Rothfos GmbH (Germany), Hermann Haelssen GmbH (Germany), Hermanos Vila Melazas S.A. (50%) (Spain), Honig Sugar Trading Corp. (50%)

(Philippines), Hooiveld Scheepvaart En Transport B.V. (Netherlands), Iansa Agencia Panama (89.02%) (Chile), Iansagro S.A. (89.02%) (Chile), Icatom (89.02%) (Chile), Illovo Distillers (Tanzania) Limited (20%) (Tanzania), Inancor S.A. (Uruguay), Induexport Spa (89.02%) (Chile), Induinvestiones Spa (89.02%) (Chile), Industrias El Palmar Holdings B.V. (Netherlands), Intercomsa S.A. De C.V. (Mexico), Invernidu Spa (89.02%) (Chile), Inversiones Greenfields S.A. (Chile), Inversiones Iansa (89.02%) (Chile), Ipsa Inversiones C.A. (49%) (Venezuela), Kahawa Endelevu Limited (Tanzania), Kilombero Holdings Limited (26.67%) (Mauritius), Kilombero Sugar Distributors Limited (80%) (Tanzania), Kyagalanyi Coffee Ltd (Uganda), LDA (89.02%) (Chile), Limako B.V. (49%) (Netherlands), LLC "E D & F Man" (Russia), LLC "E D & F Man" (51%) (Russia), LLC Ukrainian Sugar Company (77%) (Ukraine), Logiserv S.A. De C.V. (50%) (Mexico), Man Empaques S.A. De C.V. (50%) (Mexico), Maritime Investment Holdings Pte Limited (50%) (Singapore), Marpep Participações Ltda (50%) (Brazil), Melaco Nassau Ltda (99%) (Brazil), Mercatura B.V. (Netherlands), Milex S.A. De C.V. (20%) (Mexico), Molinos De Honduras S.A. (Honduras), MS Sugar S.A.P.I De C.V. (50.5%) (Mexico), Mshale Commodities (Uganda) Limited (Uganda), Mshale Commodities Limited (Kenya), Nitram Holding B.V. (33.33%) (Netherlands), Noxtran Holdings Limited (51%) (Cyprus), Nutramel CA (50%) (Venezuela), Oriental Molasses Company Limited (Hong Kong), Patagonia Fresh (89.02%) (Chile), Patagonia Invest (89.02%) (Chile), Peter Schoenfeld S.A. (Guatemala), PNG Coffee Exports Ltd (90%) (Papua New Guinea), Procesadora Del Sur S.A. (Peru), Pt E D & F Man Indonesia (Indonesia), Pt Volkopi Indonesia (Indonesia), Rafiki (Coffee) Ltd (Tanzania), Royal Ingredients LLC (USA), Rublacedo S.A. (Costa Rica), S&Q Logistics (Philippines), Schuurmans & Van Ginneken Philippines Inc (Philippines), Servicios Azucareros Nicaraguenses, S.A. (Nicaragua), Simba Commodities Limited (Kenya), SIS '88 Pte Ltd (Singapore), Sociedad De Inversiones Campos Chilenos S.A. (93.15%) (Chile), Societe Ivoirienne De Produits Tropicaux Et Alimentaires S.A. (Ivory Coast), Sofpac B.V. (Netherlands), Stepford Company Limited (Hong Kong), Sugat Industries Limited (Israel), Sugat International Ltd (Israel), Sugat Sugar Refineries Limited (Israel), Taylor Winch (Coffee) Ltd (Kenya), Taylor Winch (Tanzania) Ltd (Tanzania), Trade Lifts, LLC (USA), Trazen S.A. (33%) (Uruguay), Ukraine Farming Group B.V. (77%) (Netherlands), Ukraine Land Group LLC (77%) (Ukraine), Uniworld Sugars Pvt. Limited (50%) (India), Uralada Portugal S.A. (Portugal), Volcafe De Nicaragua S.A. (Nicaragua), Volcafe France S.A.S. (France), Volcafe Holding Ltd (Switzerland), Volcafe Iberia S.A. (Spain), Volcafe Ltd (Japan), Volcafe Ltd (Switzerland), Volcafe Ltda (Brazil), Volcafe Pte Ltd (Singapore), Volcafe Specialty Coffee Corp (USA), Volcafe Vietnam Co. Ltd (Vietnam), Waelti-Schoenfeld Exportadores De Café, S.A. (Guatemala), Westway Feed Products LLC (USA), Westway Productos Liquidos Y Suplementos Alimenticios S.A. (Nicaragua), Westway Terminals Danmark ApS (Denmark), Yunnan Volcafe Company Limited (51%) (China).

*Directly held by E D & F Man Holdings Limited

31. Non-controlling interest

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

Company Balance Sheet

as at 30 September 2016

	Note	30 September 2016 \$m	30 September 2015 \$m
Fixed assets			
Investments	3	312.1	292.1
Current assets			
Debtors	4	254.6	264.4
Cash at bank and in hand		37.2	30.7
		291.8	295.1
Current liabilities			
Amounts falling due within one year	5	(94.5)	(87.5)
Net current assets		197.3	207.6
Net assets		509.4	499.7
Capital and reserves			
Share capital	21	119.8	138.2
Preference share capital	21	64.5	46.1
Share premium account	22	168.0	168.0
Capital redemption reserve		14.5	14.5
Retained earnings		142.6	132.9
Shareholders' funds attributable to equity interests		509.4	499.7

Approved by the Board of Directors on 2 December 2016 and signed on its behalf by:

Philip Howell
Chief Executive

Laurie Foulds
Finance Director

Company Statement of Changes in Equity

for the year ended 30 September 2016

	Share Capital \$m	Preference Share Capital \$m	Share Premium Account \$m	Capital Redemption Reserve \$m	Retained Earnings \$m	Total Equity \$m
At 1 October 2015	138.2	46.1	168.0	14.5	132.9	499.7
Profit for the year	-	-	-	-	4.3	4.3
Movement in own shares and share option plans	-	-	-	-	16.7	16.7
Conversion of Ordinary shares to Preference shares	(18.4)	18.4	-	-	-	-
Dividend paid on preference shares	-	-	-	-	(11.3)	(11.3)
At 30 September 2016	119.8	64.5	168.0	14.5	142.6	509.4
At 1 October 2014	138.2	46.1	168.0	14.5	115.5	482.3
Profit for the year	-	-	-	-	12.2	12.2
Movement in own shares and share option plans	-	-	-	-	5.2	5.2
At 30 September 2015	138.2	46.1	168.0	14.5	132.9	499.7

Notes to the Company Accounts

for the year ended 30 September 2016

1. Accounting policies

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

Basis of preparation

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

For all periods up to and including the year ended 30 September 2015, the Company prepared its financial statements in accordance with the Companies Act 2006 and the applicable UK accounting standards. These financial statements for the year ended 30 September 2016 are the first the Company has prepared in accordance with FRS101.

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

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

- No opening Balance Sheet as at the date of transition to FRS101 (1 October 2014) has been presented;
- No Statement of Cash Flows has been presented;
- The Financial Instrument disclosures required by IFRS7;
- Related Party disclosures in respect of transactions with wholly-owned members of the Group have not been presented;
- Certain disclosures in respect of Share Based Payments have not been presented; and
- Disclosures in respect of the estimated effect of new IFRSs issued but not yet effective have not been presented.

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

Foreign currency

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

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

Fixed asset investments

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

Deferred taxation

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

Own shares

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

Share-based payments

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

Financial instruments

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

Profit for the year

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

2. Information relating to directors and employees

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

3. Fixed asset investments of the Company

	30 September 2016 \$m	30 September 2015 \$m
Shares in subsidiaries at cost		
At 1 October	292.1	267.1
Additions	20.0	25.0
At 30 September	312.1	292.1

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

4. Trade and other debtors of the Company

	30 September 2016 \$m	30 September 2015 \$m
Amounts falling due within one year		
Amounts owed by subsidiaries	215.7	226.2
Other debtors	38.9	38.2
	254.6	264.4

5. Trade and other creditors of the Company

	30 September 2016 \$m	30 September 2015 \$m
Amounts falling due within one year		
Amounts owed to subsidiaries	89.8	86.1
Other creditors	4.7	1.4
	94.5	87.5

6. Transition to Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS101)

The transition in accounting framework from the former UK accounting standards to FRS101 and the recognition and measurement requirements of EU-adopted IFRS would potentially require a restatement of equity as at the transition date (1 October 2014) and as at the date of the comparative balance sheet (30 September 2015), and a restatement of the prior year profit or loss account. However, the nature of the Company's operations and its assets and liabilities has meant that the adoption of FRS101 has not resulted in a material change to the previous accounting policies and therefore no accounting transition adjustments have been required.

E D & F MAN HOLDINGS LIMITED

3 London Bridge Street
London
SE1 9SG

Tel: +44 20 7089 8000
www.edfman.com

