Annual Report and Financial Statements

For the year ended 30 September 2024

ED&F MAN
EST. 1783

Commodities Limited

Contents

Business Overview

ED&F Man Commodities is a vital link in the global food supply chain and a leading provider of soft commodities. We source, store, blend, process, ship and distribute a wide range of products within our three divisions of Coffee, Molasses and Liquid Products ("MLP") and Sugar, at the same time promoting responsible sourcing practices and the highest food and safety standards.

Founded in 1783, we benefit from more than 240 years' experience at the forefront of world trade. Our global infrastructure, operational expertise and close links with suppliers and stakeholders all along the value chain ensures quick execution and timely delivery of products that meet stringent safety, sustainability, and quality standards.

We source from over 2,000 suppliers and deliver those essential commodities to a loyal base of over 4,000 customers including coffee roasters, food processors, drinks distillers and cattle farmers; supplying household names and best-loved brands. As we have been trading continuously since 1783, we take a long-term view: our approach is to nurture long-standing relationships and manage our supply chain to support responsible agriculture and protect food sources and natural resources. We strive to be better, improving lives and livelihoods not just within our own ranks, but in the agricultural communities that supply and serve us.

We benefit from the experience and diversity of more than 3,100 people in 40 countries, and we take great care to monitor and limit the environmental impact of our operations and increase positive impact through initiatives that raise the living standards and prospects of food producers.

During the year ended 30 September 2024, the three divisions of the Commodities Group delivered another exceptional set of results, generating an EBITDA of $275.4 million and Profit Before Tax of $102.6 million. In addition to delivering strong profitability, the Commodities Group continued to improve its environmental protection, sustainability and support for local communities.

Delivering on our sustainability strategy is a key priority for the Commodities Group. The sustainability strategy was developed based on the UN Sustainable Development Goals ("SDGs") and priorities identified through a double materiality assessment and climate scenario analyses. Environmental, social and governance ("ESG") targets are set at the Commodities Group level and implemented throughout the operations of Coffee, MLP and Sugar under the pillars of Environmental Stewardship, Improving Lives and Responsible Sourcing.

Sustainability highlights this year included developing Group-wide, short-, medium- and long-term decarbonisation goals and delivering carbon reduction plan guidelines to the three divisions, based on the findings of our 2023 Task Force on Climate-Related Financial Disclosures ("TCFD") report. The Commodities Group's Coffee division worked diligently towards compliance with the European Union's Regulation on Deforestation-free Products ("EUDR") - a concerted company-wide effort. The sustainability team also began preparations to report in compliance with the EU's Corporate Sustainability Reporting Directive ("CSRD"), which included performing legal review of reporting requirements and updating our double materiality assessment.

This year our parent, ED&F Man Holdings, entered into a framework agreement to sell ED&F Man Commodities to the global commodities trader Hartree Partners, LP ("Hartree"). This new partnership marks the beginning of an exciting new chapter in ED&F Man's history and will enable further expansion as we are able to benefit from Hartree's strong balance sheet and shared core values and a commitment to conducting business responsibly.

Unless otherwise stated, all information presented in this report relates to the Commodities Group businesses which are consolidated under ED&F Man Commodities Limited, a subsidiary of ED&F Man Holdings Limited. The Commodities Group's key stakeholders are its employees, customers, suppliers, broader lender group, and the communities in which the Commodities Group operates.

Our role in the value chain

We provide services, generate robust margins, promote sustainable practices and seek better outcomes for our stakeholders along the entire value chain.

Sourcing

- Responsible sourcing practices
- Agricultural development
- Pre-finance and off-take
- Pricing and hedging
- Community impact projects

Activities at Origin

- Collaborative, long-term partnerships
- Securing supplies from origin
- By-product upcycling and repurposing

Logistics

- Trucking
- Warehousing
- Storage

Production

- Product milling and packaging
- Network of owned and third-party facilities
- Warehousing and logistics

Value Added

- Sorting, blending and packaging
- Quality control and testing
- Certification
- Traceability
- Market research and analysis

Logistics Assets

- Railcars
- Warehouses
- Terminals
- Liquid storage

Distribution

- Expert and innovative freight capability

Shipping

- Freight
- Pricing and trading
- Tendering

Stakeholder

- Customer relations
- Supplier relations
- Grower community outreach

Business Overview

ED&F Man Commodities in numbers

241 years in business

$8.0 billion annual revenue in 2024

3,135 people worldwide

40 countries

Delivered tonnage **11.67** million metric tonnes

4,000 customers

2,000 main suppliers

16% reduction in carbon emissions (Scope 1 and 2) from across the Commodities Group in FY24

"Building a sustainable, responsible business that delivers positive impact for our people, our communities and the planet has been an important part of our long history and proud heritage and continues to underpin the way we do business around the world today. This is a core focus and is at the heart of everything we do."

Christopher Mahoney
Chair

Chairman's Statement

I am pleased to report that the Commodities Group delivered another robust performance in the year ended 30 September 2024 following record years in both FY22 and then again in FY23.

Ongoing volatility in agricultural commodity markets and continuing supply chain disruptions provided market opportunities which we have been well positioned to take advantage of. We trade in diverse markets, and the opportunities they provide us can change from year to year, this year clearly demonstrated the value of commodity diversity. Our MLP division performed well despite softening market conditions. The Coffee division, Volcafe, has been able to capitalise on tight markets and volatile trading conditions to deliver record results after a challenging prior year. Our Sugar division had a more difficult year after two exceptional years, but outperformance in Coffee and MLP more than offset Sugar's muted performance.

Hartree

We announced in August that Hartree, a global energy and commodities trading company, had acquired ED&F Man's outstanding A2 and B1 Senior Secured Legacy Debt and entered into an exclusive agreement in respect of the acquisition of the Commodities Group. Hartree are a successful and highly respected energy and metals trader, and we look forward to a new chapter in the Commodities Group history with a partner that shares our core values. Hartree is a global firm with a strong balance sheet and a highly skilled management team that has deep understanding of the commodities space and an appetite for growth which bodes well for our future.

People

I would like to thank all of our employees for the resilience, hard work, adaptability, and skill they have demonstrated, delivering a strong commercial performance whilst at the same time devoting time and energy to closing the agreement with Hartree.

Shortly after the year-end we announced that Guy Merison, a founding Managing Director of Hartree, would be joining the Commodities Board. I would like to welcome Guy to the Board, and I look forward to working with our teams to help realise the Board's ambition of building a world-leading soft commodities platform.

Financial Performance

The Commodities Group had another impressive year in FY24, and I am pleased to report a Profit Before Tax ("PBT") of $102.6 million for the year ended 30 September 2024 (2023: $166.9 million).

Coffee and MLP both produced strong results, including a record year for Coffee, our best performing division in FY24. Insights gleaned from our physical coffee trading book supported by world leading research allowed the team to benefit from what has been an extraordinary rally in the coffee markets. Robusta prices have doubled, and arabica prices have rallied 85% this season, largely as a result of drier weather in Brazil and Vietnam, two key origins. Coffee's performance is particularly satisfying against a backdrop of high interest rates, physical shortages, market volatility, freighting issues especially in the Red Sea, and a steeply inverted forward curve.

MLP delivered above budget results for the fourth year in a row, with consistent returns across the majority of its businesses. There were a few exceptions in FY24 however; our Beet Pulp Pellets ("BPP") business had a difficult year, as the continuing conflict in Ukraine led to supply chain challenges and BPP prices soften in competition with the grain and oilseed complex. The weakening feed market also impacted fish oil trading results which whilst profitable, were well below the prior year. Similarly, Westway Feed Products, our US animal feeds business, continued to struggle to maintain volumes and margins due to the challenging competitive dynamics of the US feed market.

Finally, our Sugar division was below budget as the market was characterised by prolonged periods of low volatility and range bound prices, with brief periods of fund driven price volatility disconnected from supply/demand fundamentals.

Sustainability

Sustainability remained a key focus in FY24 with accomplishments across the three pillars of our sustainability strategy: Environmental Stewardship, Improving Lives, and Responsible Sourcing. We finalised our Climate Action Plan with its Group-wide decarbonisation goals. We completed over 50 impact projects globally to improve the lives of people and communities in our value chains, and we made significant progress towards our responsible sourcing targets. Additionally, we added resources to manage ESG-related regulatory compliance and continued to further develop, and report on, our climate-related risks and opportunities.

We have added new metrics and targets to our sustainability strategy that we will be deploying in early FY25 including decarbonisation and energy transition goals, biodiversity and water targets, and additional scoping on supply chain risk assessments.

Outlook

With the support of all of our stakeholders, including our lenders, the Commodities Group successfully navigated volatile markets in FY24 to deliver a Profit before Tax of $102.6 million. The stable capital base of the Commodities Group supports our operations and is a key to our success. Financial highlights included the successful extension of our existing Group RCF and borrowing base facilities as well as the $100 million exercise of the accordion option to increase the facility size. We are confident that the Commodities Group can continue to deliver success, we are a nimble, experienced and focused organisation.

Going forward, sustainability will remain a top priority for the Commodities Group. We are working to advance the objectives and key performance indicators ("KPIs") detailed in our new global sustainability strategy, it will allow us to deliver greater positive social and environmental impact in our vital role as a part of the global food supply chain.

Christopher Mahoney

Chairman

5 February 2025

Group CFO's Report (including operational highlights)

Operational Highlights

In FY24 we continued to deliver soft commodities products for our clients, grow our sustainable product lines and create value for our investors and the business into the long term.

- **Our Coffee division, Volcafe, shipped over 570,000 metric tonnes of coffee (a 6% increase on FY23) serving a high-quality global client base.**
- **Our MLP division maintained its market-leading position, shipping 5.2 million metric tonnes of molasses, molasses blends, liquid feeds, beet pulp pellets, and fish oils for global clients.**
- **Our Sugar division continued to trade steadily shipping 5.9 million metric tonnes of sugar and sugar products (a 7% increase on FY23).**

Volcafe

Our Coffee business, Volcafe, is one of the world's largest coffee merchants, trading since 1851 and specialising in worldwide green coffee procurement. We have offices, processing and storage facilities in all of the main coffee origins and destinations, supplying coffee to leading brands including Nespresso, Starbucks, Nestlé, Costa and JDE.

This year Volcafe grew in both revenue and gross margin, thanks to higher shipped volumes and improved trading margins. Coffee has maintained and built on its top 5 position as a coffee trader, and Coffee's platform for growth continues to be ESG and sustainable sourcing.

Group Chief Financial Officer's Report

As a global merchant, Volcafe works across the entire green coffee supply chain from farmer to roaster. Through a close co-operation with farmers, co-operatives and exporters we achieve a premium in sustainable sourcing to a long-standing and high-quality customer base. We work closely with producers, training them on sustainable practices using our large team of agronomists. We process coffee at our milling plants observing strict Health Safety Environment Quality ("HSEQ") standards and use our expertise to support our clients as they manage risk in their business using our in-house research.

We deliver coffee to our roaster clients in line with their stringent requirements on delivery times, cup quality, traceability and sustainability.

The global coffee market entered an unprecedented fourth successive year of deficit and as a result, the coffee markets faced similar challenges to FY23 and FY22.

In the robusta market in FY24, a poor harvest in Vietnam led to extreme tightness and higher prices. The physical premiums, or differentials, were also very volatile as roasters scrambled to secure supplies, and this also drove up the robusta futures prices – the robusta contract for November delivery more than doubled, increasing from $2,462/metric tonne in September 2023 to $5,498/metric tonne in September 2024.

Although generally less volatile than robusta, the arabica market was also sharply higher in FY24. Futures for December delivery increased by 85%, from 146 cents/pound in September 2023 to 270 cents/pound in September 2024 and the market, like robusta, also became inverted to reflect the increased physical tightness in the arabica market.

Despite what has been a challenging trading environment, with high interest rates, persistent forward curve inversions in both robusta and arabica and ongoing supply chain disruption caused by rising geopolitical tensions, Volcafe delivered a record performance this year.

Our physical and arbitrage trading both outperformed with nearly all origins and destinations above or at budget. Excellent position management led and supported by our world class research team, supported our trading decisions. The Coffee team have also been incredibly disciplined in risk and capital management, increasing stock rotation and reducing stock levels despite the challenging market.

MLP

Our MLP division trades a diverse range of products: sourcing, shipping, storing and distributing molasses, molasses blends, liquid feeds, beet pulp pellets, pulses and fish oils. MLP is a pioneer in sustainable and nutritional feeds from natural by-products. MLP also undertakes blending and processing to manufacture liquid feeds and has a large logistics network and vast storage capabilities allowing effective and efficient delivery of products to global clients.

This year MLP maintained its market-leading position, trading 5.2 million tonnes of molasses, molasses blends, liquid feeds, beet pulp pellets and fish oils for global clients.

We have seen molasses and liquid feed prices soften in H2 FY24, in line with softening in competing/alternate dry feeds. Additionally, we have seen freight challenges in both the Panama Canal and the Red Sea. Combined with the significant reduction in competing dry feed prices, these logistics issues have created challenges and opportunities for MLP to trade.

In the Panama Canal, a drought caused water levels in Gatún Lake, the canal's main water source, to drop to record lows. The Panama Canal Authority limited the number and size of vessels passing through the canal which caused delays and rerouting, triggered an increase in freight rates and volatility until the situation started to ease in June. In the Red Sea, Houthi attacks on commercial shipping in the Bab al-Mandab Strait have led to increased transit times, as vessels faced a ten-day diversion around the Cape of Good Hope, and higher freight rates due to the longer route and reduced capacity.

Additionally, the animal feed market in the US has continued to be difficult this year, impacted by warmer weather across much of the US and poor dairy economics, with lower milk prices forcing producers to operate at a loss and seek out more attractively priced dry alternatives. Competition has been fierce in the US West Coast and Panhandle businesses as we looked to retain market share as the beef herd shrunk to levels not seen since the 1960's.

Despite these challenges, the team traded well, delivering budget volumes and strong margins in the majority of business areas, despite the weaker performance from our Fishoil and US animal feed businesses.

Sugar

Our Sugar division traded 5.9 million metric tonnes of sugar and sugar products. FY24 was a difficult year for the Sugar team and for sugar traders in general, with the market characterised by a short-term oversupply of both raw cane and beet sugar and a lack of volatility interspersed with some very active short-term fund trading.

Year-on-year sugar futures prices decreased by approximately 15% on the raw sugar contract and 18% on the white sugar contract.

With the sugar futures markets undergoing significant changes over the past year, with new and ongoing issues persisting from changing crop predictions due to severe weather conditions, geopolitics and government export policy (principally India) all contributing to downward pressure on market.

Logistics have also been challenging, with trade flows through both the Panama Canal and the Red Sea disrupted.

These issues have limited commercial opportunities and Sugar's ability to earn good margins from both physical and arbitrage trading.

"The businesses have continued to build from what was a record year in FY23. Coffee and MLP both outperformed expectations for the year, delivering strong results and a record year for our coffee division, Volcafe. Sugar experienced more difficult trading conditions and wasn't able to deliver the exceptional performance delivered for the previous two years."

Phillip Murnane

Group Chief Financial Officer

Financial Overview

Overall, the Commodities Group continued to deliver strong profitability in FY24. The businesses have taken advantage of market opportunities, particularly ongoing volatility, to deliver EBITDA (see Alternative Performance Measure paragraph below) of $275.4 million (2023: $314.3 million) and Profit before Tax of $102.6 million (2023: $166.9 million).

Performance Measurements

The Commodities Group's key performance measures are as follows:

Performance measures ($m)	2024 $m	2023 $m	2022 $m
Revenue	**7,967.8**	7,371.6	6,909.6
Gross Profit	**442.5**	489.6	407.8
Gross Profit (Trading) Margin	**5.6%**	6.6%	5.9%
Operating Profit	**187.5**	253.6	178.3
Profit before Tax ("PBT")	**102.6**	166.9	115.6
EBITDA	**275.4**	314.3	231.4
Profit after Tax	**56.5**	106.5	89.7
Headcount (number)	**3,135**	2,938	2,885
Net Assets	**484.6**	513.4	446.0
Delivered Tonnage (million metric tonnes)	**11.7**	11.9	12.2

The business has continued to see strong performance across all metrics, following a record performance in FY23. Coffee and MLP both outperformed expectations for the year, delivering strong results and a record year for our coffee division, Volcafe. Sugar experienced more difficult trading conditions and wasn't able to deliver the exceptional performance delivered for the previous two years.

Alternative Performance Measure

The Directors of the Commodities Group have presented the performance measure earnings before interest, taxes, depreciation, and amortisation ("EBITDA") as they monitor this at a consolidated level and this measure is relevant to an understanding of the Commodities Group's financial performance. This measure, as defined, is reported on a monthly basis to key stakeholders of the Commodities Group.

EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, depreciation, amortisation, interest and other statutory recharges, employee share option expenses, impairment losses/reversals related to goodwill, property, plant and equipment and profit/(loss) on the disposal of investments and property, plant and equipment. EBITDA is not a defined performance measure in IFRS. The Commodities Group's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

Reconciliation of EBITDA to profit from continuing operations is as follows:

	2024 $m	2023 $m
Profit from continuing operations	**56.5**	106.5
Income tax expense	**46.1**	60.4
Profit before Tax	**102.6**	166.9
Adjustments for:		
- Net finance costs	**94.8**	86.5
- Lease interest	**2.5**	2.4
- Depreciation	**40.3**	40.3
- Amortisation	**1.3**	1.2
- Impairment of fixed assets	**-**	1.6
- Impairment / (impairment reversal) of financial assets	**3.0**	(3.0)
- Gain on disposal of property, plant and equipment	**(1.8)**	(0.7)
- Loss / (gain) on disposal of investments	**0.4**	(0.1)
- Cancellation of indemnity	**17.6**	-
- Settlement gain	**(12.0)**	-
- Employee share option expense	**-**	0.1
- Interest and other statutory recharges	**26.7**	19.1
EBITDA	**275.4**	314.3

Taxes

The Commodities Group has incurred a charge for corporate income taxes of $46.1 million in FY24, compared with $60.4 million in FY23. Although the tax charge has fallen, the effective tax rate has increased from the FY23 rate. This is driven by the rise in the UK tax rate and a greater impact arising from restrictions on deducting interest for tax purposes. In addition, the Commodities Group trades in many jurisdictions across the globe and profits made in domestic markets are rightly subject to local tax and cannot be offset against losses booked in other markets.

Net Profit

Net profits after tax were $56.5 million compared to $106.5 million in the prior year. This decrease was largely driven by lower performance in Sugar, partly offset by exceptional performance in Coffee and MLP.

Balance Sheet

Despite Profit After Tax of $56.5 million, Net Assets fell $28.8 million to $484.6 million (2023: $513.4 million) primarily due to the declaration of a $79.7 million dividend in the year.

Non-current assets were $293.1 million (2023: $328.8 million), $35.7 million lower than last year. This was largely due to a decrease in derivative financial assets of $10.2 million and a decrease in trade receivables of $15.6 million.

Current assets and current liabilities increased by $395.7 million and $379.7 million respectively, reflecting increases in the underlying prices of the commodities we trade in.

Financing and Liquidity

The Commodities Group has continued to carefully manage its liquidity position through the higher price environment, tightly controlling cash, whilst promoting ongoing operations and opportunistic trading with higher margin returns. Note 17 in the Consolidated Financial Statements describes the Commodities Group's liquidity position and borrowing facilities in full.

The table below sets out a summary.

	2024 $m	2023 $m
Undrawn facilities (including local and bilateral)	**1,105.9**	792.4
Cash and cash equivalents*	**183.0**	175.7
Total undrawn facilities and cash	**1,288.9**	968.1

*Cash and cash equivalents includes restricted cash and cash equivalents of $11.6 million (2023: $30.2 million)

At 30 September 2024, the Commodities Group has committed secured facilities of $1,274.4 million (2023: $1,003.6 million), which include medium-term multicurrency syndicated facilities with maturities in excess of 12 months. Additionally, the Commodities Group has committed and uncommitted unsecured facilities of $804.1 million (2023: $675.9 million). Debt drawn under these secured and unsecured facilities at 30 September 2024 was $972.6 million (2023: $887.1 million), excluding debt transaction costs of $8.8 million (2023: $13.1 million). During the year, the Commodities Group incurred net finance expenses of $97.3 million (2023: $88.9 million).

The Commodities Group's profit or loss is influenced by interest rates. Exposure to interest rate risk is monitored through several measures including sensitivity and scenario testing and a cost benefit analysis of entering into interest rate swaps to mitigate this risk. At the year ended 30 September 2024, no interest rate swaps were in place. For the year ended 30 September 2024, the net financing costs of $97.3 million (2023: $88.9 million) include $7.0 million of interest income (2023: $3.6 million) and $2.5 million of lease interest expense (2023: $2.4 million).

	2024 $m	2023 $m
Interest-bearing loans and borrowings (excluding debt transaction costs)	**905.8**	867.7
Lease liabilities	**80.5**	79.6
Total interest-bearing debt	**986.3**	947.3

Cash flow sensitivity analysis is performed to show the impact of a change of 100 basis points in interest rates at the reporting date on equity and profit or loss. (See Note 17.14)

Cash Flow

Net cash inflow from operating activities was $89.5 million, $70.4 million higher than prior year driven primarily by an increase in both Coffee stock tonnage and sharply higher coffee prices partially offset by a reduction in MLP inventory and a reduction in Sugar stock in transit.

Tax paid in the year amounted to $56.8 million (2023: $54.1 million).

Signed on behalf of the Board of Directors by:

Phillip Murnane
Group Chief Financial Officer

5 February 2025

> “This is the first year we have been able to integrate the valuable findings of our Taskforce on Climate-Related Financial Disclosures analysis into our sustainability strategy as a Group. As a result, there’s a far greater awareness of our impact as a business and the ESG topics that are material to operations, amongst our stakeholders and employees, as well as the multiple climate risks (and opportunities) that lie ahead.”

Meredith Smith

Head of Sustainability

Environmental, Social and Governance

Sustainability Strategy

It has been a busy but satisfying year for the sustainability team at ED&F Man as we began implementing our new strategy across the three pillars of Environmental Stewardship, Improving Lives and Responsible Sourcing.

As well as delivering our TCFD report for the second year, we have begun preparations to report in compliance with the EU’s CSRD, which included performing a legal review of reporting requirements and updating our double materiality assessment to meet European Sustainability Reporting Standards (“ESRS”) requirements. To assist with this process, we created the new role of ESG Regulatory Compliance Manager to lead on CSRD and ensure ESG regulatory compliance for the Commodities Group.

Environmental Stewardship

Under the Environmental Stewardship pillar, the Climate Action Plan has provided ‘magnetic north’ for delivering on our environmental strategy this year. We developed Group-wide, short-, medium- and long-term decarbonisation goals and delivered carbon reduction plan guidelines to the three divisions which were approved by the Sustainability Committee in May – the culmination of work that began in 2023 with the Double Materiality Assessment (“DMA”) and completions of Climate Scenario Analyses (“CSA”) for each division.

Coffee’s big strategic focus in 2024 has been the roll-out of the Volcafe Responsible Sourcing (“RS”) standard – which sets baseline standards for sustainable sourcing and ensures enhanced traceability for customers – in 9 countries (Brazil, Colombia, Costa Rica, Guatemala, Honduras, Peru, Tanzania, Uganda and Vietnam). The first shipments left Vietnam in February and Volcafe RS coffee now accounts for 5% of Volcafe’s sales of responsibly sourced coffees (including certified, company schemes, and Volcafe RS) this fiscal year. Preparation for and achieving compliance with the European Union's Regulation on Deforestation-free Products ("EUDR") is a company-wide effort and one that Volcafe, in particular, thoroughly prepared for this year.

Sugar has worked hard this year to achieve a significant increase in sales of sustainably certified sugars of 25% since last year. The total of Bonsucro and Fairtrade sales in FY24 were 64,175.4MT vs 51,033.5MT in FY23. There has also been a substantial increase (98% since FY23) in the number of suppliers who have signed ED&F Man's Supplier Code of Conduct (now 131).

MLP also made progress with new certifications and the division made great efforts to reduce its carbon footprint through energy and resource efficiency measures.

Improving Lives

From an Improving Lives perspective, FY24 was a year of exceptional progress in terms of local community action. Between the three divisions more than 50 impact projects were implemented (or further developed), with the overall objective to improve livelihoods and climate resilience in the farming and milling communities we source from and to lift up underrepresented groups.

Notable initiatives include building infrastructure for schools and medical centres in coffee growing districts in Uganda and Vietnam, a successful agroforestry project in post-conflict Colombia which saw farmers planting nature corridors where coffee crops were interspersed with native species; and expanding our water security and climate adaptation project to three additional sugar farming communities in El Salvador through the MAS Program.

Alongside this, we communicated new, improved Group policies on Modern Slavery **(edfman.com/wp-content/uploads/2024/04/Modern-Slavery-Statement_22-23_Rev-1104.pdf)** and Standards of Business Conduct **(edfman.com/wp-content/uploads/2024/05/SBC-GB-V8-01-05-2024.pdf)** to ensure our values are understood and acted upon internally and in the supply chain.

Each year, a significant proportion of our effort goes into improving sustainability in our supply chains and to ensure we are responsibly sourcing products. As we work with over 2,000 different suppliers – and over 75% of our Scope 3 emissions lie in farming – this is absolutely vital for making progress towards our targets.

Responsible Sourcing

The Commodities Group is working towards sourcing all products and ingredients responsibly and with complete supply chain assurance. We seek to ensure that our impacts on the environment, regions, and communities in which we operate are prevailingly positive.

Finally, this is the first year we have been able to integrate the valuable findings of our TCFD analysis into our sustainability strategy as a Group. As a result, there's a far greater awareness of our impact as a business and the ESG topics that are material to operations, amongst our stakeholders and employees, as well as the multiple climate risks (and opportunities) that lie ahead.

Environmental Stewardship

Goal
Improve the environmental impact of our products and businesses

Delivery metrics
Develop climate action plan with decarbonisation goals

Commit to Deforestation- and Conversion-Free (DCF) supply chains

Progress in FY24
CAP delivered; 100% of coffee shipped to the EU covered by EUDR due diligence process

Improving Lives

Goal
Improve quality of life for our employees and people in our value chain through improved company policies and impact projects

Delivery metrics
Implement community projects

Improve Group Equity, Diversity, and Inclusion

Zero workplace accidents

Progress in FY24:
50 impact projects; new Standards of Business Practice

Responsible Sourcing

Goal
Provide supply chain assurance and reduce sourcing risks

Delivery metrics
Increase percent responsibly sourced products

Progress in FY24:
Volcafe RS in 9 countries; 25% increase in sustainably certified sugars

Environmental, Social and Governance

Material Topics

Based on our Sustainability Strategy and in consideration of our double materiality assessment, the primary environmental, social, and governance topics we aim to address between now and 2030 are as follows, in alignment with the UN Sustainable Development Goals:

ED&F MAN Environmental Stewardship

Climate change management
Biodiversity, natural ecosystem conversion

These material topics emphasise strategies and actions to manage the risks and opportunities of climate change while safeguarding biodiversity. This includes the development of a climate action plan, continued engagement with responsible supply chain management, efforts to achieve deforestation- and conversion-free supply chains, and the promotion of sustainable farming and land/water management practices that protect natural ecology and habitats.

Energy reduction and efficiency
Renewable energy transition

These material topics focus on reducing greenhouse gas emissions, improving energy efficiency, and promoting the use of renewable energy in ED&F Man operations as part of our decarbonisation drive. Transitioning away from fossil fuels and toward renewables at our facilities is a key element, as is promoting practices to lower emissions.

Water management
Waste reduction and management

These material topics underscore the need to reduce the water and waste footprints of ED&F Man operations. Key focus areas are reduction of water intensity in processing, emphasising water conservation and reuse in our direct operations and through the supply chain, as well as disposing of any resulting wastewater responsibly. Waste generation is minimised through reuse and recycling initiatives, and by adopting circular approaches to agricultural and industrial food waste. It also covers the proper disposal of any remaining waste or hazardous materials.

ED&F MAN Improving Lives

Corporate culture, values, and behaviour
Ethics and compliance
Equity, diversity, and inclusion

These material topics all resonate with the culture at ED&F Man. Together they seek to create a workplace where all employees uphold basic shared values, behave ethically and in compliance with laws and our own Standards of Business Conduct, and enjoy a working environment that welcomes individuals of all backgrounds and experiences.

Employee engagement, health, and well-being
Human capital management
Talent recruitment and retention
Occupational health and safety

These material topics encompass a range of activities and efforts designed to nurture a safe, healthy, and productive workforce at ED&F Man. Whether recruiting new talent or promoting career progression, creating a positive work environment that emphasises physical and mental health as well as work-life balance, or implementing practices that ensure every employee returns home safely each day; these materialities all contribute to our ability to deliver for customers, suppliers, and staff.

Customer trust and loyalty
Cybersecurity and privacy

These material topics work in tandem to promote ED&F Man as a trusted partner and employer, emphasising our company's ability to meet client expectations on criteria such as price, product quality, and sustainability, as well as the need to run systems and infrastructure that safeguard the privacy of our customers and employees.

ED&F MAN Responsible Sourcing

Responsible sourcing and supply chain management

Supply chain human rights

These material topics recognise ED&F Man's responsibilities toward the communities our suppliers operate in, encompassing practices that procure products in a way that respects human rights, supports local economies, preserves finite resources, and protects human and environmental health. This includes a special emphasis on issues around child labour, forced or slave labour, abusive treatment of workers, corrupt business practices, economic inclusion, and the rights of indigenous peoples. We enact this in part through our Supplier Code of Conduct and by participating in third-party and in-house sustainability certification schemes. Furthermore, we endeavor to demonstrate responsible business practices in our daily interactions with suppliers and customers.

Product safety
Quality management
Food chain security

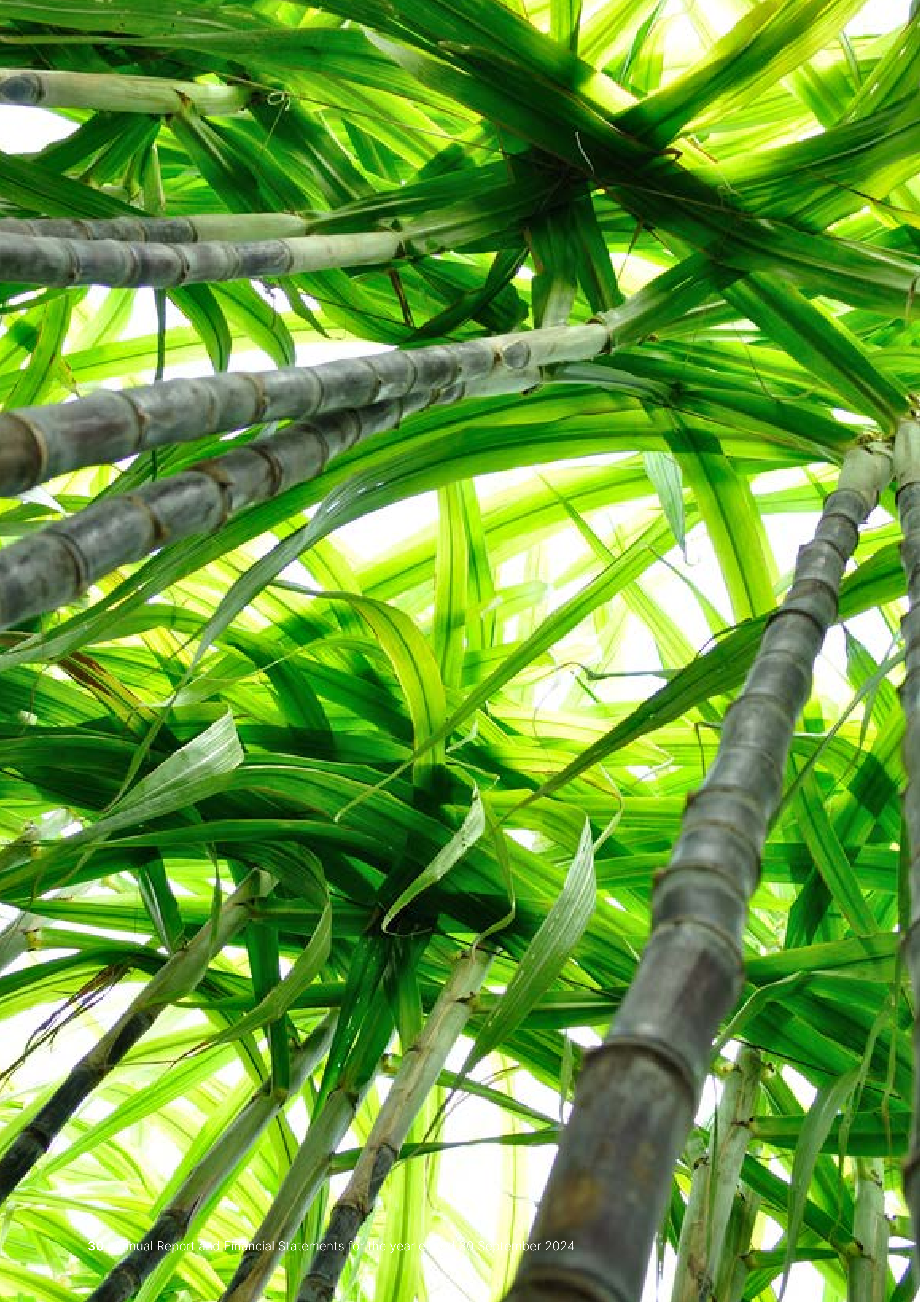
These material topics emphasise the efforts undertaken to ensure that value chains are stable and secure enough to provide products which meet safety and quality criteria in compliance with any standards or regulatory requirements. We manage product safety, quality, and security internally and through several external certifications.

Financial performance and resilience
Climate adaptation
Market presence

These material topics encompass ED&F Man's ability to manage operations profitably while withstanding adverse economic conditions – including the risks and adverse effects of climate change on food supply chains and grower communities – and remaining an active participant in a diverse array of markets.

"The three pillars of our sustainability strategy create a framework that incorporates and addresses the priority material topics identified by our company and our stakeholders. Our efforts in these areas will shape the future success of our business."

Meredith Smith
Head of Sustainability, ED&F Man



Environmental Stewardship

Environmental Management

by Rene Kleinjan

As a soft commodities trader with a supplier network reaching into 40 countries, we carry a great responsibility. Firstly, we must manage our global operations in an environmentally responsible way, as well as ensuring compliance with all applicable regional environmental regulations. And secondly, we must use our influence to promote sustainably farmed products and support the decarbonisation of our diverse supply chain.

This year, in our Climate Action Plan, we committed to robust climate targets by the Commodities Group and by division - using FY19 as a baseline to measure against. As our KPIs detail below show, we have made steady, year-on-year progress towards reducing our electricity and fossil fuel use, related carbon emissions, our water consumption and waste generated, conserving precious planetary resources over the past five years.

In FY24 we achieved this primarily through improved energy and resource efficiency measures, but also by transitioning to renewable energy sources and adopting circular models for agricultural waste and wastewater. We began exploring the generation of carbon credits (e.g. biochar) on our sites and other forms of eligible carbon offsetting.

We also further upgraded the way we measure our carbon footprint by aligning it to the GHG Protocol. In addition to capturing emissions from electricity and fossil fuels as the Commodities Group and by division, we now use emission factors per country (using an external consultant), which not only makes for more accurate tracking and reporting, but it also provides with more clarity about where action can be taken.

Then we have embarked on tracking Scope-3 emissions up and down the supply chain and within our company boundary, which includes transport emissions, and in future emissions from business travel.

Looking ahead to 2025, our Group IT team will be rolling out a new tool to report on electricity, fossil fuels, water used, and waste generated. This app will enable centralised reporting and emissions calculation, reporting in CO2eq per product, country, region, business unit, site, legal entity and continent, in alignment with the GHG Protocol.

Steps taken to align with GHG Protocol:

Climate Action Plan

ED&F Man's Climate Action Plan, approved by the ED&F Man Sustainability Committee in May 2024, is both an inward and outward facing plan. The first part describes our approach to the impact we have on the environment (directly and indirectly) and our role in mitigating the effects of climate change. The second part describes the impact of climate change on our organisation, which informs our analysis of risk and opportunities and how we adapt as a commodities trading business. Finally, it creates a framework for how we communicate and collaborate with key stakeholders on climate action matters.

The Climate Action Plan forms an integral part of our TCFD reporting and analysis.

Climate Action Plan Scope of Work

1. Our impact on the environment

- Setting targets
- Tackling Scope 1, 2 emissions
- Tackling Scope 3 (within our direct influence)
- Tackling Scope 3 (outside our influence)
- Cooperating with stakeholders to reduce impacts (suppliers, trading bodies, customers)

2. Impact of climate change on ED&F Man*

- Governance structure for managing risks
- Climate-related risk management (Group and division-level)
- Climate-related opportunities management (Group and division-level)
- Risk control and mitigation
- Stakeholder communication and public disclosures

* for a breakdown of climate-related risks and opportunities, see pages 52 to 56.

Case Study:

Climate Scenario Analysis (CSA)

As an integral component of our Climate Action Plan, between August and December 2023, we conducted a comprehensive Climate Scenario Analysis ("CSA") for each division.

CSA is a tool to assess the resilience of our company amidst a range of plausible future climate scenarios. Stakeholder input and research were instrumental in drafting scenarios for each division and identifying potential impacts on the company. They are also an important component of the recommendations from the TCFD.

Each business was tasked with developing a focal question related to the potential impacts of climate-related risks on our company and strategic direction over the next 10 to 15 years. Stakeholders reviewed the physical and transitional risks identified in our Double Materiality Assessment to determine the most pertinent focal question for each division, brainstorming to identify and then evaluating potential driving forces, or external factors.

The CSA process has been critical in preparing for the risks brought by climate change. The risks and impacts identified will be integrated into the risk management policy of ED&F Man in order to monitor the different pathways enabling resilience to potential changes. These CSAs represent an important foundational step in a long-term path for ED&F Man to understand and assess climate-related risks.

"Performing the climate scenario analysis was beneficial to the MLP business because it helped clarify the impacts of climate change and the steps we need to take as a business to be prepared for the future."

Dr Phil Holder
Managing Director, MLP UK, Ireland & South Africa

Environmental, Social and Governance

Energy Use and Carbon Emissions

In FY24, the Commodities Group again achieved significant reductions in the use of fossil fuels and grey electricity compared to the previous year. Various initiatives taken by the three divisions to increase energy efficiency have resulted in reductions almost every single year since FY19 (baseline year).

Energy use and carbon emissions for the Commodities Group for FY24 are summarised below:

	FY19	FY20	FY21	FY22	FY23	FY24
Grey electricity (kWh)	24,926,415	25,732,280	25,149,973	23,141,673	22,623,880	20,224,145
Fossil fuels (kWh)	65,482,439	66,853,147	67,173,595	57,385,627	50,697,708	38,807,682
Total (kWh)	**90,408,854**	**92,585,427**	**92,323,568**	**80,527,300**	**73,321,588**	**59,031,827**

*The comparative period numbers have been updated to reflect greater accuracy in data collection methods.

Due to alignment to the GHG Protocol accounting principles the comparative prior years numbers have been recalculated, causing the reported numbers to change, mainly due to the fact that some electricity that previously was counted as renewable is now categorised as grey.

Compared to FY23 a 19% reduction is achieved in the use of energy of fossil origin. This was achieved by several factors:

1. Our continued focus on processing our products more efficiently
2. The UK MLP terminals now running again on renewable electricity
3. Lower volumes of product processed by the sites

	FY24		
	Unit	Commodities Group	UK Only
Fossil Energy use (includes purchased electricity, gas, fuels, oil, coal, etc.)	kWh	59,031,827	1,235,003
Associated Scope 1 emissions	Mt CO_2	7,786	352
Associated Scope 2 emissions	Mt CO_2	5,852	5
Intensity ratio 1 - carbon emissions per mt processed	kg CO_2/mt	4.97	1.09

Methodology

All of our locations that process products report on the use of electricity, fuels and water, plus the waste generated on a monthly basis. This is then converted into CO_2 emissions using standard international conversion factors delivering the Commodities Group's Scope-1 and Scope-2 emissions for all of the global Coffee mills, MLP terminals and the Sugar refinery in the Czech Republic. We have implemented the below changes to our energy and carbon reporting in order to align to international standards and to make our reporting more accurate:

1. Instead of using generic standard conversion factors the energy used is now converted to emissions by using conversion factors per country.
2. We have aligned our carbon reporting system with the GHG Protocol, the world's most widely used greenhouse gas accounting standard, which will further result in the use of more detailed GHG conversion factors.
3. We switched from reporting in carbon dioxide (“CO_2”) to carbon dioxide equivalent (“CO_2eq”) to include the other main greenhouse gases nitrous oxide (“N_2O”) and methane (“CH4”) in our carbon accounting.
4. During FY24 a new reporting app has been developed by our IT department that allows central reporting by all our locations, from where we can also do our energy and emission reporting based on a central database of emission factors which is updated annually. This app allows reporting on a single site level, but also allows quick reporting consolidated by region, country, continent, business unit, product line, or energy type. Within this app - that will replace our Excel reporting on October 1, 2024 - also the energy of our offices will be tracked, covering our full scope 1 and 2 emissions going forward.

Our business operations and sustainability disclosures continue to follow TCFD guidelines.

Energy Efficiency Action Taken

Fossil fuel energy usage across the Commodities Group totalled 59,031,827 kilowatt-hours, a reduction of 19% compared to prior year (73,321,588), the result of a 11% reduction in the use of grey electricity and a reduction of 23% in fossil fuel use.

In Sugar, the Man Ingredients refinery in the Czech Republic continued its 100% green electricity use. The volume processed by this location also reduced by 33% compared to prior year, which resulted in a 58% lower energy demand and a 55% reduction in carbon emissions.

Coffee processed 8% less green coffee through their mills but continued efforts to process product more efficiently resulted in a fossil energy use reduction of 11%. The carbon emissions reduced by just over 17% on the back of this reduced volume processed and a 60% increase in renewable electricity use. The energy originating from biomass used as a fuel decreased by 35% due to lower volumes of coffee husks being available. Both the energy used in kWh per MT of coffee processed, and the emissions in $KGCO_2e$ per MT processed, were the lowest ever since FY19, at 44.6 kWh/MT and 10.33 $kgCO_2$/MT.

In MLP the volumes handled by the terminals globally reduced by 10%, yet MLP achieved a reduction in fossil energy by 13%, and a reduction in emissions by 7%.

Due to the above and our continued focus on more efficient processing on several commodity product processing operations the fossil energy use and associated scope 1 and scope 2 carbon emissions for the Commodities Group have reduced by 19% and 10% respectively. The use of renewable energy increased with 26% and energy from biomass used as a fuel decreased by 35%. The energy intensity ratio - the number of fossil kilowatt-hours used to process 1 metric tonne of product - decreased by 10% from 24.0 kWh/MT to 21.5 kWh/MT, the lowest number since base year FY19.

Carbon Emissions

On the back of the reduction in fossil fuel use, the total carbon emissions of the Commodities Group (sum of scope-1 and scope-2) reduced by 16%, from 16,201,694 kg CO_2eq in the year ended 30 September 2023 to 13,637,555 kg CO_2eq in the year ended 30 September 2024.

The emission intensity ratio - the number of kilogrammes of CO_2eq emitted for processing 1 metric tonne of product – reduced by 6 % from 5.31 to 4.97 kg CO_2eq, the lowest since base year FY19 and continues the declining trend over the last four years.

Water and Waste

The total water taken in by the Commodities Group as a whole decreased by 12%, from 414,074m³ in the year ended 30 September 2023 to 362,712m³ in the year ended 30 September 2024.

The water intensity ratio - litres of water used to process 1 metric tonne of product – also decreased by 22% from 107 to 83 litres.

The total waste generated on the operational sites has decreased by 14% from 29,273 metric tonnes in the year ended 30 September 2023 to 25,184 metric tonnes in the year ended 30 September 2024 due to efforts to reuse materials and improvements in data collection methods.

Adapting to climate change

ED&F Man has an important role and responsibility in supporting the global food supply chain, but the effects of climate change are already being felt by our suppliers all over the world. The Climate Scenario Analyses we carried out in FY23/24 as part of TCFD highlighted the most critical climate-related risks (such as extreme weather events and the increased frequency of drought, flooding, and soil erosion) and identified strategic responses (including exploring geographical diversification and building flexibility in supply chains.)

As well as continuing to manage and reduce our direct environmental impacts, in FY24 we made climate resilience a focus for our impact projects in producer communities. Recent examples of these projects offering training to coffee farmers in regenerative and sustainable practices and conserving water resources in Guatemala and Brazil.

This is a topic we expect to become increasingly critical across Coffee, MLP and Sugar in the coming years.

Environmental, Social and Governance

Protecting nature and biodiversity

Being dependent on planetary resources, we are committed to safeguarding natural ecosystems and preserving habitats for wildlife across all our supply chains.

As a commodities trader with 2,000+ suppliers our primary method for reducing our environmental impacts and ensuring no deforestation, land conversion or biodiversity loss occurs as a result of our operations is to source responsibly through certification schemes, alongside asking our suppliers to sign a Supplier Code of Conduct which requires them to commit to operating practices that protect against the conversion of natural and critical habitats, and preserve unique terrestrial and/or freshwater biodiversity.

Every year we aim to steadily increase the amount of responsibly sourced products (see Responsible Sourcing below).

Looking ahead to 2025, we have added nature and biodiversity to our Sustainability Strategy, and it is our ambition to carry out more biodiversity risk assessments in order to prepare for the Taskforce on Nature-related Financial Disclosures (“TNFD”) in 2026.

Deforestation

Deforestation is a threat to the stability of the climate and biodiversity. ED&F Man has committed to avoiding deforestation and conversion of natural ecosystems and habitats in all our business operations and throughout our supply chains. Volcafe has been at the forefront of the Commodities Group’s efforts to drive deforestation-free supply chains in FY24 and as a result is on course to be compliant with the EU regulation on deforestation-free products (EUDR) by the end of the year.

To develop the procedures and processes that are prerequisite for EUDR, Volcafe initiated a multi-stakeholder cooperation. For instance, the team established EUDR Working Groups, which included representatives from all geographies and functions - from IT to logistics, trade, and sustainability. Through the collaboration within these Working Groups, they created tools which are critical foundations for compliance, such as the EUDR Supplier Portal and the criteria and risk assessment methodology to determine legality within EUDR.

In addition, Volcafe nominated EUDR Champions for each origin and European entity to coordinate national and global efforts. It leveraged its strong network with third-party suppliers to support the preparation of these suppliers for EUDR, as well as its presence at origin through Volcafe Way to support farmers to become EUDR compliant.

The sourcing of certified and verified coffee provides a solid basis for meeting the mitigating actions required by the EUDR.

Environmental, Social and Governance

TOP

Volcafe Way technicians from Molinos de Honduras work with farmers to distribute and plant tree saplings.

BOTTOM

Native tree saplings are being distributed free-of-charge for coffee farmers to plant at their farms.

Case Study:

Volcafe impact project: Reforestation in Honduras

Molinos de Honduras, Volcafe's entity in Honduras, embarked on a large-scale reforestation project in FY21 to plant over one million native trees in coffee-producing regions by 2027.

The reforestation project is foremost a means to improve coffee farmers' resilience to the effects of climate change. Planting trees in or alongside coffee fields not only sequesters carbon dioxide but also creates beneficial shade, improves soil health and water retention, reduces soil erosion and the need for expensive chemical inputs, and safeguards biodiversity.

Several partners are helping make this ambitious project a reality, including the Instituto de Conservación Forestal, a governmental forestry agency; CATIE, a Costa Rican agroforestry institute; and Solidaridad, a Dutch NGO.

The project aims to re-cover an area of 7,000 hectares (over 9,800 football pitches) and will involve approximately 3,000 coffee farmers in about 20 communities. Molinos de Honduras has planted over 215,000 trees in nurseries and distributed over 95,000 saplings to coffee farmers. As the saplings grow and become ready to be planted in the field, Molinos expects the distribution to increase and reach one million trees distributed to coffee farmers by 2027.

"Over the project we will distribute at least one million saplings to coffee producers for them to plant on their land and thus help reduce carbon emissions. This initiative sits well with all the project demands regarding climate change and regenerative agriculture but additionally we also want to be able to contribute to the environment as a company."

Andrea Licona
Sustainability and Special Projects at Molinos de Honduras

ED&F MAN Improving Lives

Improving quality of life for our employees and the people in our value chains through responsible business operations and social impact projects.

At ED&F Man we want to cultivate an environment where everyone feels respected and supported. We recognise that our diverse backgrounds, perspectives, and experiences are what truly makes us stronger as a team and makes us a better business.

This year we communicated our new Standards of Business Conduct to our employees **(https://www.edfman.com/wp-content/uploads/2024/05/SBC-GB-V8-01-05-2024.pdf)**. This is a code for ethical business operations that covers the following important topics: equity, diversity and inclusion ("EDI"); health and safety ("HSE"); labour practices and human rights; protecting the environment; bribery, corruption and fair operating practices; communications conduct and General Data Protection Regulation ("GDPR").

Each director, manager, officer, employee and representative of ED&F Man is required to familiarise themselves with these standards and comply. Managers at all levels are responsible for creating and promoting a culture supporting ethical business practices, encouraging open communication and raising awareness of and commitment to them. The Standards of Business Conduct provides the guardrails for alignment with the Commodities Group's commitment to responsible business.

Equity, Diversity and Inclusion ("EDI")

Our ambition is to build a workplace where every individual can thrive, regardless of their race, colour, sex, gender, age, religion, or belief, ethnic or national origin, marital or civil partner status, disability, sexual orientation, gender reassignment or any other characteristic that makes them who they are. This year we continued to promote awareness and understanding of our unified, global EDI Policy throughout the organisation. We are committed to taking practical action on preventing and addressing discrimination and harassment, communicating a clear policy, educating colleagues, and raising awareness of EDI matters and providing safe channels for reporting.

We celebrate inclusion throughout the year at key calendar events. We raise awareness for International Women's Day in March with global events. During Pride month in June, we raise awareness of the LGBTQ+ community through events, discussions and learning materials. We encourage every colleague to actively participate, engage, contribute their ideas and have their voices heard. As a global business we truly believe that we must leverage and develop talent from every part of the organisation, in every location, in order to be the best we can, broadening our reach in line with our international footprint.

We also encourage employees to Speak Up when they have a concern, if something seems unsafe, unethical, or it just doesn't seem right. We provide a safe, anonymous, open channel of communication through our Speak Up platform **(https://edfman.speakup.report/en-GB/edfman/home)**. If something is wrong, we will act swiftly to put it right. Our EDI Action Plan covers the following themes:

Commitment: We have an overarching commitment to preventing and addressing any instances of discrimination and harassment.

Policy: We provide a clear policy statement that covers all colleagues.

Education: We provide regular educational events for all colleagues to raise awareness of equity, diversity, and inclusion. Our goal is to run a variety of events throughout the year that communicate, educate, and raise awareness of the rich diversity of our business and colleagues.

Reporting Issues: We provide a safe and confidential channel for colleagues, customers and suppliers to report issues of concern.

Environmental, Social and Governance

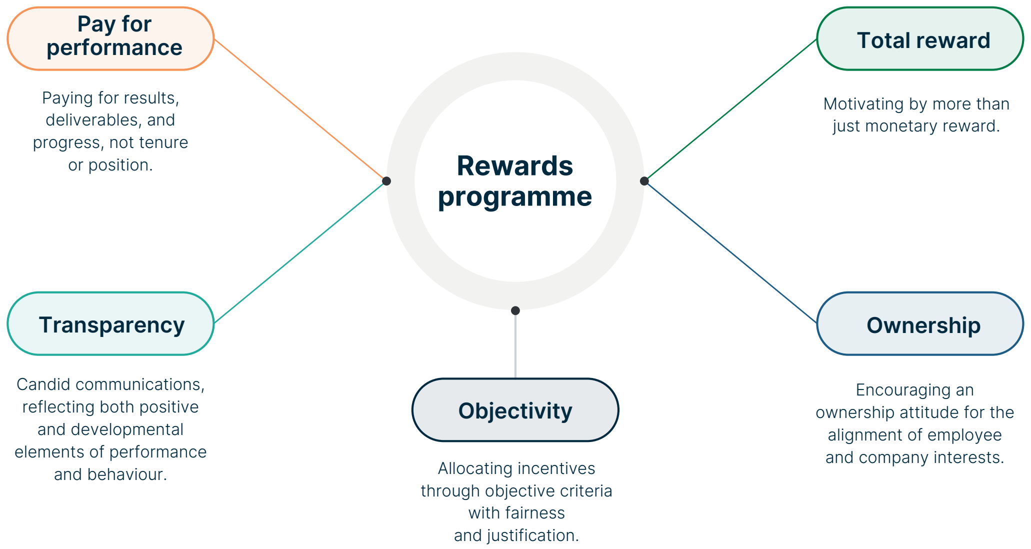
Health and Safety

FY24 was not our safest on record in terms of accidents per 100 workers and accidents per 1,000,000 hours worked. Due to our Zero Lost Time Accidents by 2030 initiative, we have been increasing the training provided to staff, and as a result we have seen a much better discipline in reporting near misses and incidents. This has meant that more incidents are being reported, and as a result our incident rates have gone up. Compared to FY23 the total number of lost time incidents per 100 workers, and per million hours worked, have increased by 27% (1.03 vs 0.81) and (4.45 vs 3.50) respectively. Our accident severity rate has decreased by 10%.

This year we added new modules to our global HSEQ Management platform, one to allow all locations to plan, schedule and execute inspections, and a second module to plan and schedule audits. In addition, the platform now also has mobile capability, making it easier for our staff to report incidents, unsafe situations, allowing us to act quicker and more proactively. We will continue our efforts in improving safety, where we remain focused on increasing awareness to ensure our colleagues make the safe choice. In Q1 of 2025 we will roll out our fully revised and updated health & safety policy.

Developing Talent

The Commodities Group, and through each division, our strategy is to help employees reach their fullest potential through work that is rewarding and satisfying, ensuring they are engaged and developed. Our Rewards Philosophy is one that provides compensation, incentives, and benefits that are competitive and motivational. Consistency, fairness, and equity are foundational elements.



We believe investing in learning helps our people advance their careers and strengthen our business capabilities, allowing us to better serve our customers and business partners. We therefore provide a wide range of training and development opportunities which cover technical skill development, compliance and regulatory education, and personal development.

We give our employees access to an extensive e-learning curriculum catalogue (with over 650 courses), enabling them to proactively self-manage their learning and career development. Training topics include management and leadership, personal effectiveness, team development, commercial knowledge, wellbeing, and technical business knowledge. The trainings reflect global business issues and risks as well as topics relevant to commodity trading.

The Commodities Group's talent management cycle is continuous and focuses on succession planning for critical roles and the future of our business. Alongside our drive to recruit high-calibre external candidates, there is a significant effort to develop existing employees via our in-house management development and coaching programme, 'The Fundamentals of Management'. To date, nearly 500 global colleagues have accessed sessions since its launch.

Communities

We work hard to enhance the quality of life and provide opportunities for improvement for the grower communities where we operate throughout the world. Each division chooses where to direct its focus to make the greatest social impact. For example, this year:

- Volcafe continued to work directly with smallholder farmers in coffee origins, promoting agroforestry to improve farmers' long-term prospects and the overall sustainability of their farms. The Volcafe Way programme continues to support over 45,000 coffee farmers.
- MLP's impact through the industry-leading MAS Program focused on climate resilience, and food and water security.
- Sugar continued its theme of supporting educational needs and equal opportunities for communities in the Indian supply chain and promoting regenerative agriculture in partner locations.

In all, 50+ impact projects were carried out through the divisions – details of these can be found in our Sustainability Report.

Some FY24 highlights and new initiatives:

- Agroforestry project in post-conflict Colombia, which supports farmers to plant nature corridors where coffee crops are interspersed with native species.
- Infrastructure building project for schools and medical centres in coffee growing districts in Uganda and Vietnam.
- Climate adaptation plans and water security project in El Salvador through the MAS Program.

Responsible Sourcing

ED&F Man is working towards sourcing all products and ingredients responsibly and with complete supply chain assurance. We seek to ensure that our impacts on the environment, regions, and communities in which we operate are prevailingly positive.

Responsible Sourcing is not only the right thing to do in terms of our sustainability commitments, but it also provides our buyers with confidence in our products and reduces our exposure to operational risks. As a trading company, we rely on partnerships with new and long-term suppliers to strengthen our supply chains and the businesses therein. While we acknowledge the complexity of managing supply chains at this scale, we expect our suppliers to uphold our commitment to responsible business practices by adhering to our policies.

FY24 Responsible Sourcing Highlights:

- Roll out of the new Volcafe RS Standard in 9 countries.
- Sugar achieved record sales of certified sugar through Fairtrade and Bonsucro. An increase of 25% overall was achieved in sustainably certified sugars.
- Progress with signing up our producer partners to our Supplier Code of Conduct ("SCoC"): there has been a 98% increase in Sugar's suppliers completing SCoC since FY23.

Governance

Stakeholder Management

The Commodities Group engages regularly with stakeholders (employees, suppliers and customers, communities and society, banks and insurers, and relevant authorities) at the Group and/or divisional level, depending on the issue. Detailed stakeholder engagement was undertaken in FY24 as part of the requirements for reporting on TCFD and preparing for compliance with EUDR and the CSRD.

The role of the Commodities Group Board is to provide an effective governance framework; including oversight, control and reporting and an effective risk framework including establishing and monitoring risk appetite through trading mandates, delegations of authority, and various limits (position, value at risk, and credit limits), under which the Commodities Group's component businesses have the freedom and decision-making authority to pursue opportunities with entrepreneurial spirit while remaining subject to constructive challenge and review. Authority for the operational management of the Commodities Group's businesses is effectively delegated to the Managing Director of each business for execution or for further delegation to the senior management teams of the businesses. This is to ensure the effective day-to-day running and management of the Commodities Group. The leader of each business within the Commodities Group has authority for that business and reports directly to the Chairman.

This approach necessarily involves a high degree of delegation of stakeholder communication to Management. Senior management is requested, when presenting to the Board on strategy and principal decisions, to ensure that the presentation covers what impact the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been considered.

While day-to-day operational decisions are generally made locally, in addition to providing input on the principal decisions and strategy, the Commodities Board supports individual businesses by facilitating the sharing of best practice and know-how between the businesses. The Commodities Board has identified the following stakeholder groups with whom engagement is fundamental to the Commodities Group's ongoing success:

Stakeholder group	Employees	Suppliers and Customers	Society, Communities, and the Environment
Key issues	Health and safety Equity Diversity and Inclusion Engagement and development Pay and reward Sustainability Work-life balance Grievance mechanism Business conduct Corporate governance	Business execution capability Responsible sourcing, product safety and traceability Supply chain sustainability Impact on environment Regulatory compliance (EUDR) Business conduct	Climate change mitigation and adaptation Natural resources and circular economy Natural ecosystem and biodiversity protection
How the businesses engage	Email Intranet Quarterly results updates Town halls Monthly leadership up-dates Training / My Learning Surveys Bi-annual performance reviews Vitality programmes	Meetings Video, emails, letters or phone calls Site visits Publishing annual Sustainability Report to GRI standards Suppliers Code of Conduct	Coaching and training programmes Community programmes and impact projects Reporting on Climate-related risk assessments, monitoring and management (UK Companies Act / TCFD), Biodiversity Risk Assessment
How the Board engages and/or is kept informed and takes matters into account	Members of the leadership team provide regular updates. The Chairman and Group CFO share annual financial results at a Senior Management Meeting (one of the quarterly meetings) to be disseminated to all employees. In addition, other Commodities Group Board members meet with senior employees at conferences, business reviews and visits to overseas offices.	Senior management of each division (often with the assistance of specialists within that division) regularly report to the Commodities Board on key relationships with customers and suppliers either as part of their business updates or through reports to the Chairman.	The Sustainability Committee supports the Commodities Group's new Sustainability Strategy and ED&I Policy. The Committee is chaired by a Division-Executive member and has representatives from across several functions and businesses.

Environmental, Social and Governance

Stakeholder group	Banks and Insurers	Governments and Authorities
Key issues	Business performance Sustainability, ESG Corporate governance Business conduct Regulatory compliance Climate-related risks and opportunities	Regulatory changes including and EU Deforestation Regulation (EUDR) Climate and environmental related matters Product safety Human Rights through the supply chain
How the businesses engage	Meetings Monthly performance reports Annual Report (UK Companies Act / TCFD) Annual Sustainability Report in reference to GRI standards	Meetings Presentations Annual Report (UK Companies Act / TCFD) Preparation for EUDR compliance
How the Board engages and/or is kept informed and takes matters into account	The Group CFO and other Senior Management meet with Lenders through the year. Additionally, the Chairman and the Non-Executive Directors meet with core lenders (both virtually and in-person without management) on a regular basis throughout the year. At each Board meeting, the Directors receive a banking update, including any significant concerns raised. These are then considered at the Board meeting.	The Commodities Group Board is regularly updated on key issues across the many countries in which it operates relating to material changes in government legislation and regulation

Environmental, Social and Governance

Corporate Governance

The Board of Directors of the Commodities Group is committed to high standards of corporate governance and are accountable to stakeholders for the Commodities Group's performance in this area.

One of the main purposes of the Commodities Board is to support the Executive Team and provide them with constructive challenge, advice and the benefit of the experience and specialist knowledge of its members. It is responsible for ensuring that risk management operates effectively and has oversight for this critical process as set out in the section on financial risk management.

Strategic risks, which include risks that could disrupt and materially impact the Commodities Group's strategy, are monitored and overseen by the Commodities Board. All other risks are monitored by a dedicated function and overseen by a specific committee.

The Group Audit and Risk function independently collates enterprise-wide risk inputs quarterly from both the divisions and the relevant control functions for presentation to and discussion by the Board and Audit and Risk Committee. These risk management assessments assist the Board in identifying the key risks, associated control processes and effectiveness of mitigation plans.

The composition and remit of the Commodities Group Board are detailed at the end of this section.

Task Force on Climate-Related Financial Disclosures

The Commodities Group has reported against the Task Force on Climate-Related Financial Disclosures ("TCFD") for the year ended 30 September 2024, focusing on four thematic areas: governance, strategy, risk management, and metrics and targets; and how its Board, Sustainability Committee, Finance and Risk teams are supporting TCFD implementation.

The Board of Directors ensures that the Commodities Group reports on its climate-related risks and opportunities transparently and accurately. This includes:

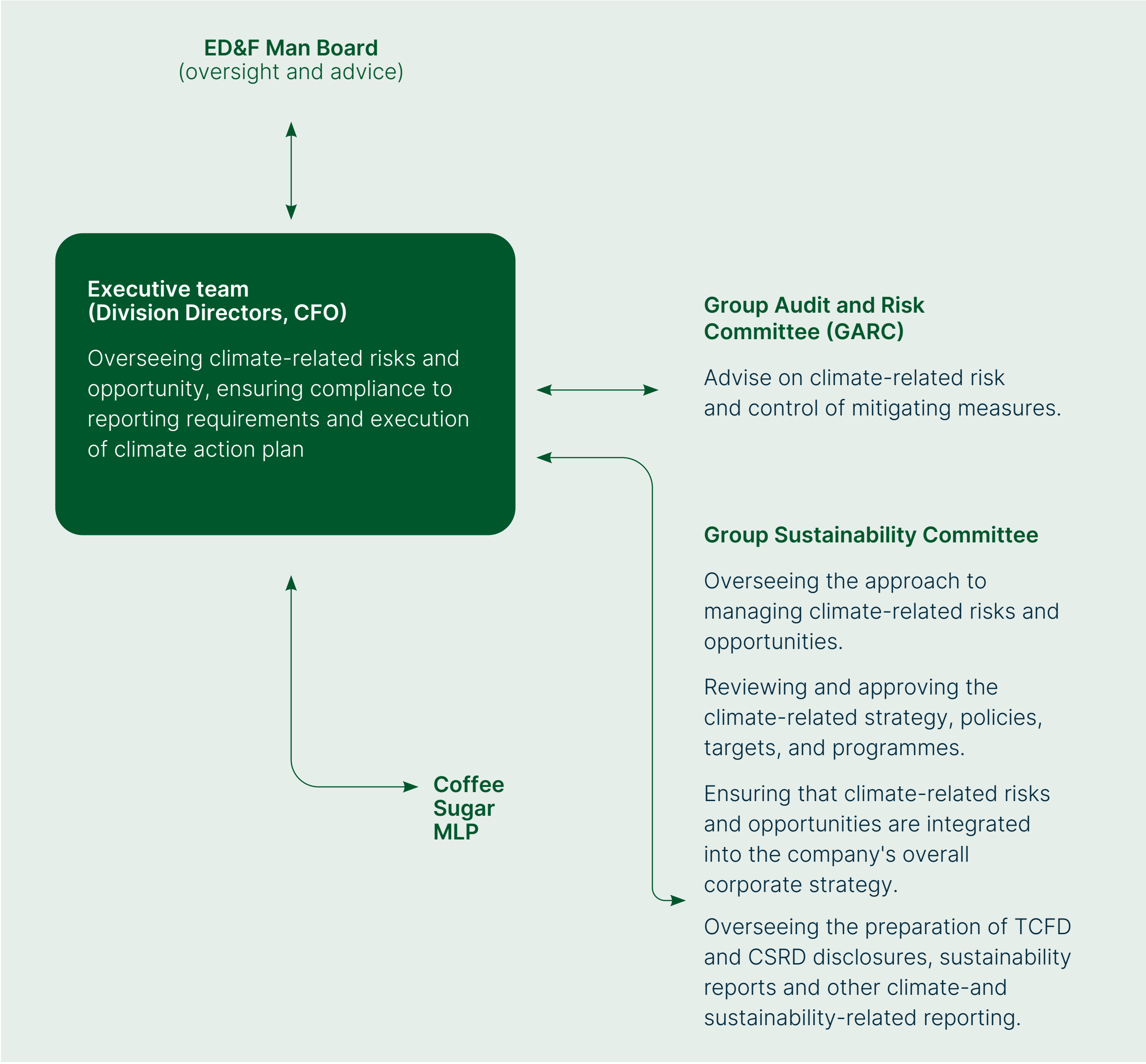
1. Overseeing the preparation of ESG disclosures sustainability reports, and other climate-related reporting;
2. Overseeing the Commodities Group's approach to managing climate-related risks and opportunities;
3. Reviewing and approving the Commodities Group's climate-related strategy, policies, and programmes;
4. Ensuring that climate-related risks and opportunities are integrated into the Commodities Group's overall corporate strategy.

The Sustainability Committee and Head of Sustainability are tasked with the management of ED&F Man's Sustainability Strategy. The Head of Sustainability reports to the Chair of the Sustainability Committee and oversees vision-setting and guiding divisions in the implementation of ED&F Man's sustainability strategy at the Group level. Each division has a Sustainability Director or Lead who will oversee this implementation at the division level. For more detail see The Board and its Committees section below.

Implementation of the TCFD recommendations is handled at Group level through the Climate Action Plan and at division level by the sustainability teams. Any gaps identified in the TCFD disclosure process, for example, are either incorporated in the continuously evolving Climate Action Plan or addressed within the appropriate business function.

This year, climate-related risks identified through the TCFD process are being dealt with by the Group Audit and Risk Committee, as well as the Sustainability Committee, and added to the risk management process and policy. From 2025, divisions, division heads, and function heads will evaluate the climate-related risks affecting their business and determine if there are any emerging or additional risks that need to be added to the risk register.

Governance structure of climate-related risks and opportunities



Environmental, Social and Governance

Climate-related risks identified over the short, medium and long term*

The following are the top highest-ranking climate-related risks to ED&F Man Group according to its stakeholders (source: Double Materiality Assessment and Climate Scenario Analysis):

Classification	Term	Division	Potential Impact	Mitigation strategy
Risk 1: Increased severity of extreme weather events				
TCFD: Physical / Acute **ED&F Man:** Operational / Climate	Medium	Volcafe MLP	More frequent extreme weather events such as flood, hurricanes etc. may cause disruption of operation of ED&F Man facilities resulting in direct and indirect losses. Direct: physical damage of facilities, engineering networks or equipment; restrained access to logistical facilities and routes. Indirect: pausing the operations, unavailability of staff to get to work.	Emergency response plans and Business continuity plans in place per asset. Insurances are in place. Force Majeure in Contracts.
Risk 2: Changes in precipitation patterns and extreme variability in weather patterns which impact crop yields				
TCFD: Physical / Chronic **ED&F Man:** Market / Climate	Long	Sugar	Changes in precipitation pattern both increasing as well as decreasing can impact sugar cane yields in India and Brazil. These changes in crop production seasons may impact financial planning and interrupt established supply chain. Degraded yield will reduce the availability of sugar in impacted parts of the world.	Utilisation of in-depth market knowledge to anticipate and remediate the impact on supply chains. Geographical diversification of our suppliers to minimise regional impacts. Keeping flexibility in the supply chains. Monitoring of changes in temperature and precipitations.
		MLP	The precipitation risks related to Brazil sugar cane production are less relevant as Brazil is not a big molasses exporter. However, India is a supplier of roughly 40% of cane molasses to ED&F Man Molasses BV. Decreased precipitation will have major impact in Maharashtra region which relies on monsoon rains to fill water reserves that are used to irrigate the sugarcane.	
		Volcafe	The impact of changes in precipitations on coffee yields have not been investigated.	
Risk 3: Increased cost or unavailability of raw materials due to climate change				
TCFD: Transitional / Market **ED&F Man:** Liquidity / Climate	Long	MLP	Less cane yields (challenges caused by drought, less water availability and restriction on land use as cane production is land intensive). As such less available molasses, higher prices and more competition from other feed products. Geographical changes in supply chains due to unavailability / less availability of molasses in certain regions and customers' trend to buy local products or bioethanol production. Warmer seas from climate change shorten fishing seasons impacting availability of fish oil supply.	Utilisation of in-depth market knowledge to anticipate and remediate the impact on supply chains. Geographical diversification of our suppliers to minimise regional impacts. Monitor signposts (different for each BU) to anticipate the inclination towards certain climate scenario. MLP: Research for business opportunities to increase number of customers in other sectors such as fermentation, biofuel etc.
		Sugar	Changes in crop production seasons could impact financial planning and interrupt established supply chain. Decreased sugar content in cane could decrease sugar production which would lead to the price increase for sugar. Degraded yield will reduce the availability of sugar in impacted parts of the world. Market will change as well as supply chains.	
		Volcafe	Loss of biodiversity due to climate change will cause less pollination of Robusta coffee plants and less coffee production. Arabica costs will increase subsequently. Changes of land use from coffee to other crops (for example to durian in Vietnam).	

Classification	Term	Division	Potential Impact	Mitigation strategy
Risk 4: Failure to comply and consequences of stringent climate and environmental regulations and customer policies				
TCFD: Transitional/Policy & Legal **ED&F Man:** Legal, Compliance & Regulatory/Climate	Short	All Divisions	Failure to comply with the strict environmental laws resulting in penalties and reputational damage.	Hired ESG Regulatory Compliance Manager, responsible for monitoring and analysis of ESG regulation and creation of action plan to close any compliance gaps.
		MLP	Increased additional financial investments in technology (renewable energy sources) and man-power (hiring and training people to do increasing administrative work and managing compliance requirements). Disrupted logistic routes and sales markets (fewer livestock feed customers).	
		Volcafe	Stricter regulations on use of pesticides (MRL). Biodiversity and deforestation regulations impact available financing lines and massive administrative burden of compliance (i.e., more hiring, new training, expanded IT, managing compliance requirements). Increasing price of sustainably produced coffee may cause consumers to shift to cheaper alternatives. There will be additional administrative burden on roasters and distributors to comply with heightened environmental disclosures.	Conduct a company-wide ESG Regulatory Review and establish a process of keeping track on changes in ESG regulatory landscape. Coffee division has prepared to comply with EUDR as per January 1, 2025.
		MLP	Large administrative burden from customers seeking reporting requirements, emission reduction, and Scope 3 emissions data. Tightening of methane / nitrogen / water regulations can cause farmers to reduce the size of their herds, creating less mouths to feed. This risk if not anticipated upfront can cause revenue loss due to fewer number of customers in animal feed sector. Inclination of customers behaviour towards buying local products could drastically impact liquid feed business in United States, Italy, and United Kingdom, which are all large net importers. Business model may need to pivot to focus on local distribution.	

**ED&F Man defines short-term horizon as one year which is aligned to budget cycle, medium term as within 3 years which is aligned with strategic plan, and long term as 3+ years. Identification and assessment of climate-related risks and opportunities and communication of those to Risk department is a part of the Climate Action Plan.*

The highest ranked opportunities are as follows (source: DMA):

Resilience:

1. Resource substitutes/diversification
2. Identify changes for crop protection procedures
3. Participation in renewable energy programmes and adoption of energy-efficiency measures

Resource Efficiency:

4. Use of recycling
5. Reduced water usage and consumption

Markets:

6. Encourage a shift in consumer preferences

Energy Source:

7. Use of lower-emission sources of energy (on-site or grid diversification)

"In FY24 we continued to deliver soft commodities products for our clients, grow our sustainable product lines and create value for our investors and the business into the long term.

Overall, the Commodities Group continued to deliver strong profitability in FY24. The businesses have taken advantage of market opportunities, particularly ongoing volatility, to deliver EBITDA of $275.4 million (2023: $314.3 million) and Profit before Tax of $102.6 million (2023: $166.9 million)."

Phillip Murnane
Group Chief Financial Officer

Directors' Report

The Directors of the Commodities Group present their report and audited financial statements for the year to 30 September 2024.

Principal Activities, Business Review and Future Developments

Founded in 1783, ED&F Man Commodities is a private commodities trader/merchant operating in soft commodities, including sugar, coffee, molasses and animal feed.

The Commodities Group's business activities, future developments and performance measurements are set out below. The liquidity position of the Commodities Group and borrowing facilities are described in Note 17 and Note 22 to the Consolidated Financial Statements. Note 17 also describes the financial risk management objectives and policies, and details its financial instruments and hedging activities, and exposures to credit risk and liquidity risk. The Board monitors performance of its businesses on an ongoing basis.

Commodities Group

The Commodities Group encompasses three operating divisions: Coffee, MLP and Sugar divisions. This is a diverse portfolio that have a proven ability to deliver solid returns even during periods of challenging market conditions. This business has its own governance structure and capital allocation.

In our commodity trading businesses, we leverage long-standing relationships and strategically located assets to provide clients with a complete service offer to add increased value across the whole supply chain.

The Commodities Group delivered strong profitability, the businesses have taken advantages of price volatility to deliver $102.6 million of profit before tax, compared to $166.9 million in the prior year.

Results

The audited financial statements of the Commodities Group are shown on pages 73 to 127.

The profit after taxation attributable to owners of the Commodities Group for the year to 30 September 2024 amounted to $55.0 million (2023: $106.0 million).

The financial statements are prepared in US Dollars as this is the currency in which most the Commodities Group's trading transactions are denominated.

Directors

The Board consists of one Non-Executive Director, five Executive Directors and the Chairman.

The Directors who held office during the year and up to the date of signing were as follows:

Alexandre Bauche
Christopher Mahoney
Trishul Mandana
Richard Milnes-James
Phillip Murnane
Arie van der Spek
Jonathan Guy Merison (appointed 19 November 2024)
Jade Moore (resigned 1 August 2024)

Statement of Directors’ Responsibilities

The Directors are responsible for preparing Consolidated Financial Statements for each financial year which give a true and fair view, in accordance with applicable Jersey Law (the Companies (Jersey) Law 1991) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), of the state of affairs of ED&F Man Commodities Limited (“the Company”) and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them 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 Company will continue in business. The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern

Based on the extensive analysis the Commodities Group has undertaken, including plausible downside scenarios and reverse stress testing, the Directors have a reasonable expectation that the Commodities Group has sufficient liquidity for the going concern assessment period to 31 March 2026. Accordingly, the Directors have adopted the going concern basis in preparing the Consolidated Financial Statements. See Note 2.2 of the Consolidated Financial Statements for further information.

There are a number of significant factors which affect commodity markets, including the war in Ukraine, higher inflation, higher interest rates and further developments in the Middle East. Due to the uncertainty that these factors create, the Directors are not able to provide certainty that there could not be more severe downside scenarios other than those that have been considered in the going concern assessment, including sensitivities considered by the Commodities Group.

Auditor

Ernst & Young LLP have expressed their willingness to continue as auditors of the Company.

By order of the Board

Phillip Murnane
Group Chief Financial Officer

5 February 2025

"I'm pleased to report that the Commodities Group delivered another robust performance in the year ended 30 September 2024 following record years in both FY22 and then again in FY23. Ongoing volatility in agricultural commodity markets and continuing supply chain disruptions provided market opportunities which we have been well positioned to take advantage of. We trade in diverse markets, and the opportunities they provide us can change from year to year, this year clearly demonstrated the value of commodity diversity."

Christopher Mahoney
Chairman

The Board and its Committees

The Board and its Committees

Board and Committee structures have been implemented to ensure a governance framework that is appropriate and tailored to the commercial and control requirements of the Commodities Group.

Commodities Group Board

The Commodities Group Board is responsible for the governance and oversight of the Commodities Group. This is the forum for senior management to jointly assess key market opportunities, risks and threats. The Commodities Group Board also monitors financial and commercial performance against the strategic objectives. The Commodities Group Board meets monthly.

Membership

Christopher Mahoney - Chairman

Phillip Murnane - Group Chief Financial Officer

Trishul Mandana - Managing Director, Coffee

Arie van der Spek - Managing Director, MLP

Alexandre Bauche - Managing Director, Sugar

Richard Milnes-James - Independent Non-Executive Director

Jonathan Guy Merison - (appointed 19 November 2024)

Jade Moore - Group Executive Director (resigned 1 August 2024)

Remuneration & Nomination Committee

The Remuneration & Nomination Committee assists the Commodities Group Board with setting remuneration policy for the Commodities Group, including bonus pool schemes and remuneration for Directors and Division leads. It also ensures the Commodities Group has a formal, rigorous and transparent procedure for the appointment of new directors (both executive and non-executive) and the succession planning for senior executives. The Remuneration & Nomination Committee meets quarterly.

Membership

Richard Milnes-James - Independent Non-Executive Director (Chair)

Christopher Mahoney - Chairman

Jonathan Guy Merison - (appointed 19 November 2024)

The Board and its Committees

Group Audit & Risk Committee (“GARC”)

The GARC assists the Commodities Group Board in its oversight of business risk, with particular focus on the Commodities Group’s risk appetite, risk profile and the effectiveness of its risk management and compliance frameworks.

The GARC is also responsible for oversight of the financial reporting process, selection of the independent auditor, monitoring for financial crime, internal and external audit results and all aspects of the Commodities Group’s market, credit and liquidity risks. The committee’s remit also oversees matters in relation to cyber security and technology. The Group Audit & Risk Committee meets quarterly.

Membership

Richard Milnes-James - Chair of the Group Audit and Risk Committee

Jonathan Guy Merison - Director (appointed 19 November 2024)

Jade Moore - Group Executive Director (resigned 1 August 2024)

Banking Committee

The Banking Committee is responsible for the oversight of the banking operations of the Commodities Group and approves the granting of corporate guarantees. The Banking Committee meets on an as-required basis.

Membership

Phillip Murnane - Group Chief Financial Officer (Chair)

Marinus Moolenburgh – Global Head of Treasury

Jade Moore - Group Executive Director (Chair) - resigned 1 August 2024

Executive Structures within Commodities Group

Senior Leadership Teams (“SLT”)

The individual commodity divisions have their own executive management structures, comprising the Senior Leadership Teams of the business. The MLP, Sugar and Coffee divisions have designated SLT members representing commercial and functional support areas of the business. This senior leadership is typically the most senior commercial or functional lead of their respective area or geographic region, depending on the Commodities Group’s Division Unit structure. The Commodities Group’s Divisions’ SLT meet weekly.

Additionally, each business has their own Leadership Team which meets regularly to discuss strategy, operations and issues within the individual businesses.

Technology & Cyber Committee

The committee is responsible for the oversight of all technology investment decisions and subsequent programme deliveries across Commodities Group. This includes the overall strategic technology direction and alignment to that of the Group. The Committee also ensures the effective and efficient use of technology to enable Commodities Group to achieve its strategy and goals within acceptable levels of risk. The Technology & Cyber Committee meets quarterly.

Membership

Andrew Bullman (appointed 19 November 2024)

Ian Falshaw - Finance Director, MLP

Phillip Murnane - Group Chief Financial Officer

Simon Niven - Group Chief Technology Officer (Chair)

Johanna Sutcliff - Finance Director, Sugar

Melvin Wenger Weber - Finance Director, Coffee

Division Information Technology Managers

Jade Moore - Group Executive Director (resigned 1 August 2024)

Sustainability Committee (formerly Corporate & Social Responsibility Committee)

The purpose of the Sustainability Committee is to determine and set the Environmental, Social, and Governance (“ESG”) strategy and policies for the Commodities divisions and Commodities Group business functions, and to provide oversight of the effective implementation of the Sustainability Strategy.

The Sustainability Committee formulates the ESG principles, monitors sustainability trends and issues, reviews priorities and ensures the Commodities divisions meet their respective ESG-related goals and commitments and are following and sharing best practices.

The Sustainability Committee monitors, reviews and assesses the adequacy and effectiveness of management’s practices, processes, systems and controls in respect of ESG, and recommends changes where determined, in order to continuously improve governance, performance, risk management and sustainable long term value protection and creation. It oversees the development and delivery of Sustainability reporting annually and other sustainability-specific external communications for the Commodities divisions, for approval by the ED&F Man Commodities Limited Board.

The Committee meets twice per year, with division Sustainability leads also meeting separately each month. Additional meetings may be held as and when required.

The Committee of 14 members has been appointed by the Board. Each commodity business line is represented. Additional representation is from the functional support units of Research, Human Resources, Compliance, Legal and Risk, Treasury, and Health, Safety, Environment and Quality ("HSEQ").

Trishul Mandana - Managing Director, Coffee (Chair)

Phillip Murnane - Group Chief Financial Officer (Vice Chair)

Meredith Smith - Head of Sustainability, Commodities and MLP (Secretary)

Rene Kleinjan - Head of HSEQ

Adrian Osbourn - Head of Learning and Development (HR representative)

Alexandre Bauche - Managing Director, Sugar

Arie Van Der Spek - Managing Director, MLP

Kona Haque - Head of Research

Daniel Polak - Head of Distribution and sustainability lead, Sugar

Jeremy Smith - Trade Finance Director (Treasury Representative)

Jordy Hof - Climate Manager, Commodities

Raphaelle Peinado - Sustainability Director, Coffee

Marie Renou-Ullrich - Head of Marketing and Communications, Coffee

Melanie Hall - Group Head of Compliance (appointed 22 January 2024)

Liesbeth Kamphuis - Sustainability Director, Coffee (resigned 31 May 2024)

At the request of any Sustainability Committee member, and with the approval of the Chair, the following may be invited to attend meetings of the Sustainability Committee as required, but will have no vote:

Divisional Chief Financial Officer – MLP

Finance Director – Coffee

Chief Operating Officer – Sugar

Group Head of Risk

Insurance Risk Manager

The Head of Marketing and Communications – Coffee

Independent Auditor's Report to the Members of ED&F Man Commodities Limited

For the year ended 30 September 2024

Opinion

We have audited the financial statements of ED&F Man Commodities Limited (the "Group") for the year ended 30 September 2024 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows and the related notes 1 to 29, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as issued by the International Accounting Standards Board.

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's affairs as at 30 September 2024 and of its profit for the year then ended;
- Have been properly prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- Have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and company's ability to continue as a going concern for a period up to 31 March 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 67, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- Proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the company's accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 60, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of ED&F Man Commodities Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the International Financial Reporting Standards as issued by the International Accounting Standards Board, the Companies (Jersey) Law 1991, Bribery Act 2010, the relevant direct and indirect tax compliance regulations in the jurisdictions in which the group operates, Anti-Money Laundering Regulation and General Data Protection Regulation;
- We understood how ED&F Man Commodities Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit & Risk Committee. We noted that there was no contradictory evidence;
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by enquiring with management to understand the policies and procedures in place to detect fraud and action accordingly and by considering the risk of management override. These procedures included performing substantive testing procedures over revenue recognition, testing manual journals and involving our internal specialists as part of our review of key management estimates (such as the recognition of deferred tax assets). These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error; and
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors and enquiries with management, internal audit, the company's legal and compliance department and the Audit & Risk Committee. We held discussions with external legal counsel engaged by the company in respect of certain legal and regulatory matters and reviewed relevant documentation in order to evaluate the impact on the financial statements.

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

Use of our Report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Smyth
for and on behalf of Ernst & Young LLP
London, United Kingdom

5 February 2025

Consolidated Financial Statements

For the year ended 30 September 2024

Consolidated Financial Statements

For the year ended 30 September 2024

Consolidated Statement of Profit or Loss

	Note	2024 $m	2023 $m
Continuing operations			
Revenue	5	7,967.8	7,371.6
Cost of sales		(7,525.3)	(6,882.0)
Gross profit		**442.5**	**489.6**
Administrative and selling expenses		(253.8)	(238.1)
Gain on disposal of property, plant and equipment	8	1.8	0.7
Impairment of fixed assets	12	-	(1.6)
(Impairment) / impairment reversal of financial assets		(3.0)	3.0
Operating profit	6	**187.5**	**253.6**
Share of profit or loss of entities accounted for using the equity method	15	0.8	1.8
Other income	27	12.0	-
(Loss) / Gain on disposal of investments	8	(0.4)	0.1
Gain on disposal of joint venture		-	0.3
Profit before interest and tax		**199.9**	**255.8**
Finance costs, net	9	(97.3)	(88.9)
Profit before tax from continuing operations		**102.6**	**166.9**
Income tax expense	11	(46.1)	(60.4)
Profit for the year from continuing operations		**56.5**	**106.5**
Profit for the year attributable to:			
Owners of the Commodities Group		55.0	106.0
Non-controlling interest		1.5	0.5

The Notes on pages 81 to 127 form an integral part of these Financial Statements.

Consolidated Financial Statements (continued)

For the year ended 30 September 2024

Consolidated Statement of Comprehensive Income

	Note	2024 $m	2023 $m
Profit for the year from continuing operations after tax		**56.5**	**106.5**
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss recognised on defined benefit schemes	10	**(4.2)**	(0.5)
Deferred tax adjustments on defined benefit schemes		**0.4**	0.1
Share of movement in reserves attributable to NCI		**(2.3)**	-
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on retranslation of net assets of subsidiary undertakings		**2.7**	3.7
Revaluation of fair value reserve through other comprehensive gain		_	0.2
Net expense on cash flow hedges – net of deferred tax		**(2.2)**	(1.2)
Total other comprehensive (loss) / income for the year net of tax		**(5.6)**	2.3
Total comprehensive income from continuing operations net of tax		**50.9**	108.8
Total comprehensive income is attributable to:			
Owners of the Commodities Group		**51.7**	108.3
Non-controlling interest		**(0.8)**	0.5

The Notes on pages 81 to 127 form an integral part of these Financial Statements.

Consolidated Financial Statements (continued)

For the year ended 30 September 2024

Consolidated Statement of Financial Position

	Note	2024 $m	2023 $m
Non-current assets			
Property, plant and equipment	12	153.0	160.9
Right-of-use assets	13	77.4	77.1
Intangible assets	14	18.2	16.8
Investments in joint ventures and associates	15	6.9	7.3
Available for sale investments	15	0.5	-
Trade and other receivables	16	8.8	24.4
Derivative financial assets	17	13.4	23.6
Deferred tax assets	11	14.9	18.7
		293.1	**328.8**
Current assets			
Inventories	18	979.9	855.7
Trade and other receivables	16	859.1	573.7
Derivative financial assets	17	247.8	269.0
Restricted cash and cash equivalents	19	11.6	30.2
Cash and cash equivalents - other	19	171.4	145.5
		2,269.8	**1,874.1**
Assets classified as held for sale	15	2.0	5.8
		2,271.8	1,879.9
Total assets		**2,564.9**	**2,208.7**
Current liabilities			
Trade and other payables	20	610.7	607.8
Lease liabilities	21	19.9	20.7
Loans and overdrafts	22	442.6	406.5
Derivative financial liabilities	17	425.8	93.0
Provisions	23	10.5	1.8
		1,509.5	**1,129.8**
Net current assets		**762.3**	**750.1**

Consolidated Financial Statements

Consolidated Financial Statements (continued)

For the year ended 30 September 2024

Consolidated Statement of Financial Position (continued)

	Note	2024 $m	2023 $m
Non-current liabilities			
Trade and other payables	20	1.5	1.4
Lease liabilities	21	60.6	58.9
Loans and overdrafts	22	454.4	448.1
Derivative financial liabilities	17	6.7	0.9
Provisions	23	21.6	23.2
Employee benefit obligations	10	4.6	2.5
Deferred tax liabilities	11	21.4	30.5
		570.8	**565.5**
Net assets		**484.6**	**513.4**
Equity attributable to owners of the Commodities Group		477.5	505.5
Non-controlling interest		7.1	7.9
Total equity		**484.6**	**513.4**

The Notes on pages 81 to 127 form an integral part of these Financial Statements.

Approved by the Board of Directors and signed on its behalf on 5 February 2025 by:

Christopher Mahoney
Chairman

Phillip Murnane
Group Chief Financial Officer

Consolidated Financial Statements (continued)

For the year ended 30 September 2024

Consolidated Statement of Changes in Equity

	Share Capital $m	Capital reserve $m	Retained Earnings $m	Fair Value Reserve $m	Translation Reserve $m	Total $m	Non-controlling Interest $m	Total Equity $m
As at 30 September 2022	376.5	213.0	(139.9)	(1.0)	(10.0)	438.6	7.4	446.0
Profit for the year	-	-	106.0	-	-	106.0	0.5	106.5
Other comprehensive income / (loss)	-	-	(0.4)	(1.0)	3.7	2.3	-	2.3
Total comprehensive income / (loss)	-	-	105.6	(1.0)	3.7	108.3	0.5	108.8
Movements relating to restructuring	-	1.0	-	-	-	1.0	-	1.0
Share based payments	-	-	0.1	-	-	0.1	-	0.1
Dividends paid by the Company*	-	-	(42.5)	-	-	(42.5)	-	(42.5)
As at 30 September 2023	376.5	214.0	(76.7)	(2.0)	(6.3)	505.5	7.9	513.4
Profit for the year	-	-	55.0	-	-	55.0	1.5	56.5
Other comprehensive income / (loss)	-	-	(3.8)	(2.2)	2.7	(3.3)	(2.3)	(5.6)
Total comprehensive income / (loss)	**-**	**-**	**51.2**	**(2.2)**	**2.7**	**51.7**	**(0.8)**	**50.9**
Dividends paid by the Company*	-	-	(79.7)	-	-	(79.7)	-	(79.7)
As at 30 September 2024	**376.5**	**214.0**	**(105.2)**	**(4.2)**	**(3.6)**	**477.5**	**7.1**	**484.6**

*Dividends paid by the Company were non-cash dividends settled through contribution of an intercompany receivable.

The Notes on pages 81 to 127 form an integral part of these Financial Statements.

Consolidated Financial Statements (continued)

For the year ended 30 September 2024

Consolidated Statement of Cash Flows

	Note	2024 $m	2023 $m
Profit before tax		**102.6**	166.9
Adjustments for:			
Depreciation of property, plant and equipment	12	**17.9**	17.9
Amortisation of right-of-use assets	13	**22.4**	22.4
Amortisation and impairment of intangible assets	14	**1.3**	1.2
Share of profit of an associate and a joint venture	15	**(0.8)**	(1.8)
Loss / (profit) on disposal of joint ventures		**-**	(0.3)
Loss / (gain) on disposal of investments		**0.4**	(0.1)
Impairment of financial assets		**3.0**	(3.0)
Impairment of fixed assets	12	**-**	1.6
Recoveries and settlements		**-**	1.9
Gain on disposal of property, plant and equipment		**(1.8)**	(0.7)
Interest expense	9	**97.3**	88.9
Expenses arising from share option plans		**-**	0.1
Corporation tax paid		**(56.8)**	(54.1)
Operating cash flows before movements in working capital		**185.5**	**240.9**
Movement in inventories		**(124.2)**	(40.3)
Movement in receivables		**(314.7)**	(162.6)
Movement in payables		**334.7**	(10.9)
Movement in provisions		**8.2**	(8.0)
Net cash from operating activities		**89.5**	**19.1**

CONTINUES

Consolidated Financial Statements (continued)

For the year ended 30 September 2024

Consolidated Statement of Cash Flows (continued)

	Note	2024 $m	2023 $m
Cash flows from investing activities			
Interest received		**7.0**	3.6
Purchase of property, plant and equipment	12	**(17.4)**	(16.3)
Proceeds from sale of fixed assets		**5.3**	1.1
Acquisition of NCI		**-**	(1.0)
Purchase of intangible assets	14	**(2.2)**	(1.3)
Disposable of subsidiary		**2.5**	-
Acquisition of subsidiary		**(0.5)**	(4.4)
Net cash used in investing activities		**(5.3)**	(18.3)
Cash flows from financing activities			
Increase in borrowings	22	**38.3**	43.3
Debt transaction costs paid	26	**(3.0)**	-
Payment of interest on lease liabilities	21	**(2.5)**	(2.4)
Principal payments on lease liabilities	21	**(21.5)**	(21.3)
Interest paid		**(89.3)**	(81.0)
Net cash used in financing activities		**(78.0)**	(61.4)
Net increase / (decrease) in cash and cash equivalents		**6.2**	(60.6)
Cash and cash equivalents at the beginning of the year		**175.7**	234.6
Effect of exchange rate changes on cash and cash equivalents		**1.1**	1.7
Cash and cash equivalents at end of year	19	**183.0**	175.7

The Notes on pages 81 to 127 form an integral part of these Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2024

1. General Information

ED&F Man Commodities Limited (“MCL”) is a private limited company domiciled in Jersey. MCL is a wholly owned subsidiary of ED&F Man Holdings Limited (“Holdings”), a company incorporated in England and Wales.

MCL and its subsidiaries (collectively, the “Commodities Group”) are engaged in the business of sourcing, storage, processing, and distribution of a range of products including sugar, coffee, molasses, animal feed and fish oil. The Commodities Group delivers world-class products and services to clients including coffee roasters, food processors, drinks distillers and cattle farmers; supplying household names and brands. It has three main operating segments: Coffee, Molasses and Liquid Products (“MLP”), and Sugar Trading.

2. Accounting Policies

2.1 Basis of Preparation

The Consolidated Financial Statements of the Commodities Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Companies (Jersey) Law 1991.

2.2 Going Concern

The Directors evaluate the Commodities Group’s funding position and liquidity risk throughout the year, including compliance with loan covenants. For the purposes of assessing the ability of the Commodities Group to continue as a going concern the Directors have looked forward to 31 March 2026 (“the Going Concern assessment period”).

The underlying cash flow forecasts used in the base case, are derived from management’s estimate of future trading volumes, commodity prices, overheads, and costs of borrowing; and also reflect funding in place and available to the ED&F Man Holdings group. The base case forecasts used for the purposes of the Commodities Group’s going concern assessment assume a significantly lower level of profitability than those seen over the last two financial years. Downside sensitivities were also run to reflect changes in prices, trading volumes and margins, and the impact of increased working capital. The assessment considered the loan facilities that mature within the Going Concern assessment period and the impact on the Commodities Group’s liquidity headroom should such facilities not be renewed at existing levels or at all.

The impact on liquidity and compliance with loan covenants was assessed both in the base case and the downside scenarios. These downside sensitivities included identifying conditions under which liquidity would be eliminated and/or one or more covenants would be breached (a “reverse stress test” scenario). The Directors evaluated whether the occurrence of the downside scenarios was plausible and identified mitigating actions under the control of management to address any forecast liquidity deficit and/or non-compliance with covenants. Identified mitigating actions under the control of management include flexing loan facility usage through reductions in trading volumes, reducing exposure to interest rate risk, selling marketable inventories, decreasing capital expenditure and/or reducing discretionary costs. The Directors are satisfied that, if needed, such actions would prevent breaches of liquidity headroom and maintain compliance with the Commodities Group’s loan covenants.

From the analysis performed, the Directors believe that based on their assessment of current performance, forecasts, debt servicing requirements, total funding facilities and risks, they have a reasonable expectation that the Commodities Group has adequate resources to continue as a going concern for the period up to 31 March 2026.

2.3 Basis of Consolidation - Subsidiaries

The consolidated income statement includes the results of MCL and its subsidiaries and the consolidated balance sheet includes assets and liabilities of all the legal entities directly and indirectly owned by the Company.

Subsidiaries are entities controlled by the Commodities Group. Control exists where either a parent entity is exposed, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its control over the subsidiary. A parent entity has control over the subsidiary when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those that significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Commodities Group has the existing rights to direct the relevant activities of a subsidiary.
In assessing control, potential voting rights that are currently exercisable or convertible are considered. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control begins until the date that control ceases. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with those used by the Commodities Group. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Commodities Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Commodities Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Financial Statements are presented in United States dollars ("USD") or ("$") million and have been rounded to the nearest USD 0.1 million.

2.4 Basis of Measurement

The Consolidated Financial Statements are prepared on a historical cost basis, except for derivative financial instruments and defined benefit plan assets that are measured at fair value; inventories held for trading are held at fair value less cost to sell; and non-current assets and liabilities held for sale are stated at the lower of carrying amount and fair value less cost of disposal.

2.5 Intercompany and Related Party Transactions

Intercompany transactions and assets and liabilities between MCL entities included in these financial statements have been eliminated. These financial statements include MCL's transactions and balance sheet items.

2.6 Foreign Currency

Transactions undertaken by each of the Commodities 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.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss and are recognised in the income statement, except for equity investments, which are recognised in other comprehensive income. Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction.

The Commodities Group's Consolidated Financial Statements are presented in USD ("presentational currency"). This is also the functional currency for most of the Commodities Group's operations.
The assets and liabilities of subsidiaries and equity method investees whose functional currency is not USD are translated at the exchange rate at the balance sheet date. The results and cash flows of these undertakings are translated at average rates for the year. The exchange differences arising on the re-translation of opening net assets, together with the differences between the results of these undertakings translated at the average rates for the year and the rate at the balance sheet date, are taken directly to the translation reserve and are shown in other comprehensive income.

All other translation differences are taken to the Consolidated Statement of Profit or Loss with the exception of differences on foreign currency borrowings, to the extent that they are used to finance foreign equity investments and meet the definition of an effective net investment hedge under IFRS 9 'Financial Instruments'. In these circumstances, the translation differences are taken directly to the translation reserve and are shown in other comprehensive income. When the net investment in foreign operation is sold, closed or abandoned, the translation differences accumulated within shareholder's equity are transferred to the Statement of Profit or Loss.

2.7 Current versus non-current classification

The Commodities Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Commodities Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated Financial Statements

2.8 Other Significant Accounting Policies

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

Cost of sales

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

3. New and Revised Standards

3.1 New Standards

The Commodities Group adopted the following new accounting policies on 1 October 2023 to comply with amendments to IFRS. The accounting pronouncements, none of which had a material impact on the Commodities Group's financial reporting on adoption, are:

- IFRS 17 'Insurance contracts';
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8; and
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction.

3.2 New accounting pronouncements and basis of preparation changes to be adopted on 1 October 2024

The IASB has issued the following pronouncements which are applicable to the Commodities Group from 1 October 2024:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent (issued on 23 January 2020); Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The Commodities Group's financial reporting will be presented in accordance with the above new standards from 1 October 2024. The changes are not expected to have a material impact on the consolidated statement of profit or loss, consolidated statement of financial position or consolidated statement of cash flows.

3.3 New accounting pronouncements issued but not effective

The following new standards and narrow-scope amendments have been issued by the IASB and are not yet effective:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The Commodities Group is assessing the impact of these amendments to standards and the Commodities Group's financial reporting will be presented in accordance with these standards from 1 October 2024 as applicable.

On 31 October 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements ("IAS 1") that requires additional disclosures for covenants relating to long-term debt. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. For example, a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period.

These amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. Specifically, the covenants which could make the long-term debt current will need to be specifically disclosed in the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 October 2024, with early adoption permitted. The Commodities Group may need to provide additional disclosures on covenants under its debt arrangements.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

4.1 Critical judgements in applying the Commodities Group's accounting policies

The critical judgements made by management in the process of applying the Commodities Group's accounting policies, that had a significant impact on the amounts recognised in the Commodities Group's financial statements are as follows:

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.

The Commodities Group has recognised deferred tax assets of $14.9 million (2023: $18.7 million). (See Note 11). The most significant element of the deferred tax assets relates to tax losses incurred by Volcafe Limited ("Volcafe") in Switzerland. In the current year, Volcafe has made profits, including the reversal of previous impairments of the value of its subsidiaries. This reversal is taxable in Switzerland. Volcafe has also reassessed its ability to use losses before their expiry and was able to recognise an asset in respect

Notes to the Consolidated Financial Statements

of all its remaining losses. The use of the losses brought forward has reduced the corporation tax liability and the value of the deferred tax asset by $4.4 million.

Volcafe's revised projections of profits support the recognition of deferred tax assets up to $12.1 million. The profit projection is based on the trading results alone and takes into account the changes to the structure of the Brazil trades in FY22, which reduce significantly the chances of similar losses arising, without impacting the ability of Volcafe to make profits in other areas of its business. The losses were in large part caused by the extraordinary rise in coffee prices as a result of Covid and frosts in Brazil, and the restructuring means that Volcafe has mitigated the severity of the effects of a similar future occurrence.

4.2 Key Sources of Estimation uncertainty

The significant accounting estimates with a significant risk of a material change to the carrying value of assets and liabilities within the next year in terms of IAS 1 'Presentation of Financial Statements', are as follows:

Valuation of Financial Instruments

All derivative financial instruments not qualifying for the "own use" exemption and certain other financial assets and liabilities are recorded at fair value and analysed into three hierarchy levels based on their valuation methodology, as per IFRS 13 'Fair Value Measurement' ("IFRS 13"). (See Note 17)

Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets including forward foreign currency exchange and fixed income securities (Level 1) and by using models with externally verifiable inputs (Level 2).

There is judgement required to determine the appropriateness of the models and the relevant inputs. If the inputs applied to the Level 2 model are inappropriate this could result in an impact to the consolidated statement of profit or loss and the consolidated statement of financial position.

Provisions and Liabilities

Provisions and certain other liabilities recognised in the balance sheet require an estimation of the amounts required to settle the obligation. The provisions or liabilities recorded reflect management's best estimate of the amounts required to settle the related liability, including tax, legal, contractual or other exposures. Management assesses liabilities and contingencies based upon the current information available, relevant tax laws and other appropriate requirements. (See Note 23 and Note 27)

The Commodities Group has recorded Provisions of $32.1 million as at 30 September 2024 (30 September 2023: $25.0 million). Management considers a number of factors when making provisions including the calculations of best estimate and the calculation of a discount rate to determine the present value of future obligations. Management also makes key estimates in relation to the following:

- The probability of outflow under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (probable, not probable, remote).
- Timing of expected payments.

Amounts ultimately paid for losses and legal cost can vary significantly from the level of provisions originally set. If the judgement applied is incorrect or changes over time, this could result in future charges to the Consolidated Statement of Profit or Loss.

5. Revenue

Operating revenue is recognised when performance obligations are met, by transferring a promised good or service to a customer. A performance obligation is satisfied at a point in time, at the point of transfer of goods to a customer or over time.

5.1 Revenue from Contracts with Customers

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

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

5.2 Revenue from the Delivery of Traded Commodities

As noted in the "Financial Instruments" policy Note 17, certain of the Commodities Group's physical commodity contracts meet the definition of a derivative financial instrument and are accordingly fair valued in accordance with IFRS 9 with gains or losses recorded through cost of sales. When such contracts are physically delivered, the revenue is recorded at the fair value of consideration received, net of discounts, customs duties and sales taxes. Such delivery is recognised when the significant risks and rewards of ownership and effective control of goods have passed to the buyer (for example when a bill of lading is passed to the buyer).

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

	2024 $m	2023 $m
Revenue from contracts with customers	**1,761.4**	2,024.7
Revenue from the delivery of traded commodities	**6,206.4**	5,346.9
	7,967.8	7,371.6

Revenue from contracts with customers of $1,761.4 million is accounted for under IFRS 15, with 95% (2023: 96%) from the Molasses and Liquid Products division. The residual amount relates to Coffee and Sugar divisions.

Revenue for the Coffee and Sugar divisions is primarily disclosed in Revenue from the delivery of traded commodities with 59% (2023: 62%) from the Sugar division and 41% (2023: 37%) from the Coffee division.

There were no customers of Coffee, MLP and Sugar that accounted for more than 10% of the consolidated operating revenue for the years ended 30 September 2024 and 2023.

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

6. Operating Profit

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

	Note	2024 $m	2023 $m
Depreciation of property, plant and equipment	12	**17.9**	17.9
Amortisation of right-of-use-assets	13	**22.4**	22.4
Amortisation of intangible assets	14	**1.3**	1.2
Foreign exchange loss / (gain)		**11.6**	(0.5)
Operating lease rentals		**1.8**	2.2
Share based payment charge		**-**	0.1
Gain on disposal of property, plant and equipment	8	**(1.8)**	(0.7)
Impairment of fixed assets	12	**-**	1.6
Impairment / (Reversal) of financial assets		**3.0**	(3.0)

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

7. Auditors' Remuneration

The analysis of auditors' remuneration is as follows:

	2024 $m	2023 $m
Fees payable to the Commodities Group auditors and associates for the audit of the consolidated and stand-alone Financial Statements and local statutory audits	**2.5**	2.7
Fees payable to the Commodities Group auditors and associates for other services	**0.1**	0.1
	2.6	2.8

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

8. Gain on Disposal of Assets

Gain on disposal of assets, net, comprised the following:

	2024 $m	2023 $m
Gain on disposal of property, plant and equipment	**1.8**	0.7
(Loss) / Gain on disposal of investments	**(0.4)**	0.1
	1.4	0.8

During 2024, Coffee recorded a gain of $1.5 million on disposal of a milling plant in Colombia, and a loss of $0.4 million on disposal of investments. A further $0.3 million net gain was recognised in relation to the disposals of other property, plant and equipment.

During 2023, Coffee recorded a gain of $0.7 million on disposal of land in Papua New Guinea.

Notes to the Consolidated Financial Statements

9. Finance Expense and Income

9.1 Finance Expense

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

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

9.2 Finance Income

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

	2024 $m	2023 $m
Finance expense on debt		
Interest on loans	**84.0**	77.9
Amortisation of debt transaction costs	**12.4**	9.1
Commitment and other fees	**5.4**	3.1
Total interest expense on debt	**101.8**	90.1
Interest expense on lease liabilities	**2.5**	2.4
Total finance expense	**104.3**	92.5
Finance income	**(7.0)**	(3.6)
Net finance expense	**97.3**	88.9

10. Personnel Costs and Retirement Benefits

10.1 Retirement Benefits

The principal pension arrangements in the Commodities Group are defined contribution schemes, the largest of which is the Commodities 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 Commodities Group operated two defined benefit schemes and one long-term employee benefits scheme during the financial year ended 30 September 2024 in Germany, Switzerland and Japan respectively.

During the year, the Commodities 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 financial year ended 30 September 2024.

Notes to the Consolidated Financial Statements

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs *are recognised in profit or loss on the earlier of:*

- *The date of the plan amendment or curtailment, and*
- *The date that the Group recognises related restructuring costs.*

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Commodities Group recognises net interest expense or income in the consolidated statement of profit or loss.

10.2 Personnel Costs

	2024 $m	2023 $m
Wages, salaries and bonus	**163.6**	171.8
Social security costs	**15.7**	14.6
Contributions to defined contribution pension plans	**9.0**	6.4
Net (income) / costs of defined benefit plans (Note 10.3)	**(1.3)**	1.0
	187.0	193.8

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

	2024 Number	2023 Number
Trading and administration	1,130	1,165
Industrial and seasonal	1,760	1,845
	2,890	3,010

Included in cost of goods sold are personnel costs of $45.4 million (2023: $40.4 million). Other personnel costs are included in administrative and selling expenses.

10.3 Retirement Benefits

The table below summarises the main assumptions used in the valuation of the defined benefit schemes:

	2024 %	2023 %
Main assumptions		
Rate of salary increases	1.5-3.0	0.5-3.0
Discount rate	1.1-3.5	1.0-3.8
Inflation	1.5-3.0	0.5-3.0

Amounts recognised in the Consolidated Statement of Profit or Loss in respect of these defined benefit schemes for the year to 30 September are as follows:

	2024 $m	2023 $m
Current service cost	(1.1)	(0.9)
Past service cost	2.5	-
Net interest expense	(0.1)	(0.1)
Components of defined benefit costs recognised in the profit or loss	**1.3**	(1.0)

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

	2024 $m	2023 $m
Return on plan assets (excluding amounts included in net interest expense)	0.1	0.2
Actuarial gain arising from changes in demographic assumptions	-	0.1
Actuarial loss arising from changes in financial assumptions	(1.2)	(0.2)
Actuarial losses arising from experience adjustments	(2.7)	(0.6)
Re-measurement of the net defined benefit liability	**(3.8)**	(0.5)

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

	2024 $m	2023 $m
Present value of defined benefit obligations	(15.6)	(33.4)
Fair value of scheme assets	11.0	30.9
Net liability arising from defined benefit obligations	**(4.6)**	**(2.5)**

The movement in the defined benefit (obligation) / asset over the year is as follows:

	2024 $m	2023 $m
Defined benefit obligation at beginning of the year	(33.4)	(24.7)
Interest cost	(0.4)	(0.6)
Current service cost	(1.1)	(0.9)
Past service cost	2.5	-
Employee contributions	(0.3)	(0.5)
Remeasurements:		
- Loss from change in financial assumptions	(1.2)	(0.2)
- Gain from change in demographic assumptions	-	0.1
- Experience losses	(2.7)	(0.6)
Benefits paid / (deposited)	22.7	(4.3)
Exchange differences	(1.7)	(1.7)
Defined benefit obligation at end of the year	**(15.6)**	**(33.4)**
Fair value of scheme assets at beginning of the year	30.9	23.0
Interest income	0.3	0.5
Employer contribution	0.5	0.6
Remeasurements:		
- Return on scheme assets	0.1	0.2
Employee contributions	0.3	0.5
Benefits (paid) / deposited	(22.7)	4.4
Exchange differences	1.6	1.7
Fair value of scheme assets at end of the year	**11.0**	**30.9**

The plan assets are detailed as follows:

	2024 $m	2023 $m
Cash and cash equivalents	0.4	0.7
Equity instruments	2.8	5.1
Debt instruments	3.0	5.3
Real estate	2.2	3.9
Other	2.6	15.9
Total plan assets	**11.0**	**30.9**

The reduction in plan assets is due to a plan change in one of the Swiss Elite pension plans which is now regarded as a defined contribution plan under IAS 19 and was therefore excluded. This resulted in a past service cost of $2.5 million being recognised in the Consolidated Statement of Profit and Loss.

The pension schemes have not invested in any of the Commodities Group's own financial instruments nor in properties or other assets used by the Commodities Group. The fair value of all plan assets was based on quoted market prices, except for cash and other.

The actuarial gains and losses net of deferred tax recognised in other comprehensive income relating to the actual return on scheme assets less the expected return on scheme assets for the year are a net loss of $3.8 million (2023: loss of $0.5 million). The cumulative actuarial losses recognised in the Consolidated Statement of Comprehensive Income to 30 September 2024 is $1.9 million (2023: $5.7 million).

The total contributions to the defined benefit plans in the next year are expected to be $0.8 million (2023: $1.4 million):

	2024 $m	2023 $m
Contributions by employer	0.5	0.8
Contributions by plan participants	0.3	0.6
Total contributions	**0.8**	**1.4**

A quantitative sensitivity analysis for significant assumptions as at 30 September for the Group's most significant pension scheme is shown below:

	Impact on defined benefit obligation	
	2024 $m	2023 $m
Assumptions for Volcafe Ltd (Switzerland):		
Discount rate:		
0.25% increase	**(0.3)**	(0.5)
0.25% decrease	**0.3**	0.5
Future salary increases:		
0.25% increase	**0.1**	0.1
0.25% decrease	**(0.1)**	(0.1)
Life expectancy:		
Increase by 1 year	**0.1**	0.2
Decrease by 1 year	**(0.1)**	(0.2)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

11. Income Tax

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

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

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

Notes to the Consolidated Financial Statements

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax is not recognised for:

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

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

The tax on profits is summarised below:

	2024 $m	2023 $m
Current tax		
Current year	**43.0**	51.5
Adjustments in respect of prior years	**7.7**	15.6
	50.7	67.1
Deferred tax		
Current year	**1.2**	(7.2)
Adjustments in respect of prior years	**(5.8)**	0.5
	(4.6)	(6.7)
Tax charge on profits	**46.1**	60.4

	2024 $m	2023 $m
Profit before taxation	**102.6**	166.9
Less: Share of loss of entities accounted for using the equity method	**(0.8)**	(1.8)
Parent company and subsidiaries profit before taxation	**101.8**	165.1
Taxation (credit) / charge calculated at the standard UK tax rate of 25% (2023: 22%)	**25.5**	36.3
Effects of:		
(Income not taxable) / expenses not deductible for tax purposes	**5.8**	0.5
Adjustment for different tax rates	**(2.7)**	5.4
Effect of changes in tax rate	**0.2**	0.7
Adjustments in relation to prior years	**1.9**	16.1
Withholding taxes not covered by double tax relief	**-**	1.0
Other taxes	**2.1**	1.6
Disposal of subsidiaries	**0.1**	-
Impairment of investments	**(0.4)**	4.3
Utilisation of tax losses brought forward	**(0.4)**	(3.9)
Current year tax losses not recognised	**5.5**	2.3
Movement in unrecognised deferred tax	**8.5**	(3.9)
Total tax on continuing operations	**46.1**	60.4

Under the terms of s123 (1) of the Income Tax (Jersey) Law 1961, the company is not subject to Jersey income tax because its business is centrally managed and controlled in the UK, the UK tax rate exceeds 10% and the company is tax resident in the UK.

Notes to the Consolidated Financial Statements

Deferred tax relates to the following:

	Profit or Loss Charge / (income)		Balance Sheet Asset / (liability)	
	2024 $m	2023 $m	2024 $m	2023 $m
Depreciation	**2.3**	(0.5)	**(16.3)**	(18.6)
Loss carry forward	**(1.7)**	(2.2)	**14.6**	16.3
Fair value gains and losses	**2.2**	(1.1)	**(5.1)**	(7.3)
Other temporary differences	**1.8**	10.5	**0.3**	(2.2)
Net deferred tax charge	**4.6**	6.7	**-**	-
Net deferred tax liability	**-**	-	**(6.5)**	(11.8)
Of which:				
deferred tax liabilities	**-**	-	**(21.4)**	(30.5)
deferred tax assets	**-**	-	**14.9**	18.7
			(6.5)	(11.8)
At 1 October	**-**	-	**(11.8)**	(18.4)
Tax charge	**-**	-	**4.6**	6.7
Deferred tax recognised in other comprehensive income	**-**	-	**0.7**	(0.1)
At 30 September			**(6.5)**	(11.8)

Deferred tax recognised in other comprehensive income relates to defined benefit schemes ($0.4 million) and cash flow hedges ($0.3 million).

The value of deferred tax assets recognised in excess of deferred tax liabilities in companies which have suffered losses in the current or preceding period is $12 million (2023: $18 million). All of the assets are expected to be utilised before any expire.

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.

Deferred tax has not been recognised in respect of certain tax losses of $220 million (2023: $221 million) because it is not probable that future profits will be available against which the Commodities Group can utilise the benefits.

Other deferred tax assets are not recognised where it is not probable that the conditions which would allow the use of these assets will occur. Unrecognised amounts can be analysed as follows:

	2024 $m	2023 $m
Disallowed interest	15.5	3.9
Fixed asset timing differences	0.7	0.7
Other timing differences	2.3	0.7
Total	**18.5**	5.3

As at 30 September 2024 the undistributed reserves for which deferred tax liabilities have not been recognised were $28.0 million (2023: $25.4 million) in respect of subsidiaries, joint ventures and associates as it is unlikely that such undistributed profits will be distributed in the foreseeable future.

The OECD has published GLoBE Model Rules, which include a minimum 15% tax rate by jurisdiction (“Pillar Two”). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. The Group has reviewed the effects of the legislation which implements Pillar Two legislation in the UK and other countries in which the group operates. ED&F Man Commodities Limited is not directly within the scope of the OECD’s Pillar Two rules because it is a constituent entity of the ED&F Man Holdings Limited group; ED&F Man Holdings Limited is the highest level within the group for which consolidated accounts are prepared. However, certain subsidiaries of ED&F Man Commodities Limited are expected to be affected by the local implementation of Qualifying Domestic Minimum Top-up Taxes (“QDMTT”) in countries in which the Group’s subsidiaries operate. These rules do not impact the 2024 results but are expected to impact the Commodities Group’s financial results from 1 October 2024 onwards.The QDMTT legislation in most countries incorporate Transitional Safe Harbour rules which are designed to reduce the complexity of Pillar Two calculations for the first few years in which the legislation is in force. A jurisdiction will be able to use the safe harbours if the Commodities Group’s Country by Country (“CbC”) report is regarded as “Qualifying” and, if so, the results in that jurisdiction pass at least one of the various safe harbour tests. The Commodities Group believes that the CbC report will be a Qualifying report. A review of the 2024 results shows that all but three of the countries in which the Commodities Group operates would meet at least one transitional safe harbour test had the legislation been in force for 2024. For those that did not meet one of the safe harbours, a more detailed calculation is required.

Based on the more detailed provisional calculations, we expect Ireland to be the only country for which a tax charge arising from Pillar Two would arise. If profits earned in the year ending 30 September 2025 in Ireland were at the same level as for the year ended 30 September 2024, the expected increase in the Commodities Group’s tax charge would not be material to the Commodities Group.

The Commodities Group has taken advantage of the exception to IAS 12 in respect of Pillar 2 not to recognise or disclose information regarding deferred tax liabilities or assets relating to OECD Pillar 2 income taxes.

Notes to the Consolidated Financial Statements

12. Property, Plant and Equipment

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

12.1 Depreciation

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

- *Freehold buildings: 20 to 50 years*
- *Leasehold land and buildings: Life of the lease*
- *Plant and machinery: Three to 20 years*

Freehold land is not depreciated.

Depreciation is included within Cost of sales and Administrative and selling expenses in the Consolidated statement of Profit or Loss.

12.2 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 discounted future cash flows.

	Land and Buildings				
	Freehold $m	Leasehold $m	Plant and Machinery $m	Construction in Progress $m	Total $m
Cost					
At 1 October 2022	78.1	15.9	234.5	0.4	328.9
Additions	1.1	1.8	13.2	0.2	16.3
Additions through business combinations	1.3	-	1.4	-	2.7
Disposals	(0.1)	(0.1)	(5.8)	-	(6.0)
Transfers from CIP	-	-	0.1	(0.1)	-
Currency translation differences	1.3	-	3.0	-	4.3
As at 30 September 2023	**81.7**	**17.6**	**246.4**	**0.5**	**346.2**
Additions	**2.4**	**0.2**	**14.4**	**0.4**	**17.4**
Disposals	**(5.0)**	**(0.9)**	**(5.7)**	**-**	**(11.6)**
Transfers from CIP	**0.1**	**-**	**0.3**	**(0.4)**	**-**
Transfers to Assets Held for Sale (note 15.5)	**(1.9)**	**-**	**(2.8)**	**-**	**(4.7)**
Currency translation differences	**(0.1)**	**(0.1)**	**2.8**	**-**	**2.6**
As at 30 September 2024	**77.2**	**16.8**	**255.4**	**0.5**	**349.9**
Accumulated depreciation and impairment					
At 1 October 2022	(32.2)	(5.5)	(132.4)	-	(170.1)
Depreciation charge	(2.5)	(0.4)	(15.0)	-	(17.9)
Impairment charge	(0.1)	-	(1.5)	-	(1.6)
Disposals	0.1	0.1	5.4	-	5.6
Currency translation differences	(0.3)	-	(1.0)	-	(1.3)
As at 30 September 2023	**(35.0)**	**(5.8)**	**(144.5)**	**-**	**(185.3)**
Depreciation charge	**(2.4)**	**(0.4)**	**(15.1)**	**-**	**(17.9)**
Disposals	**1.5**	**0.4**	**4.9**	**-**	**6.8**
Transfers to Assets Held for Sale (note 15.5)	**0.2**	**-**	**1.4**	**-**	**1.6**
Currency translation differences	**(0.6)**	**0.3**	**(1.8)**	**-**	**(2.1)**
As at 30 September 2024	**(36.3)**	**(5.5)**	**(155.1)**	**-**	**(196.9)**
Net book value					
At 30 September 2023	46.7	11.8	101.9	0.5	160.9
At 30 September 2024	**40.9**	**11.3**	**100.3**	**0.5**	**153.0**

13. Right-of-use Assets

The Commodities Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. Right-of-use assets are reviewed for indicators of impairment.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Commodities Group is 'reasonably certain' to exercise any extension options. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment. (See Note 12)

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

There were no leases with residual value guarantees or leases not yet commenced to which the Commodities Group is committed at 30 September 2024.

	Leased Land and Buildings $m	Leased Office Equipment $m	Leased Plant and Machinery $m	Total $m
Cost:				
At 1 October 2022	34.1	0.1	101.9	136.1
Additions	11.3	-	7.0	18.3
Lease terminations	(2.9)	-	-	(2.9)
Currency translation differences	0.7	-	2.4	3.1
As at 30 September 2023	**43.2**	**0.1**	**111.3**	**154.6**
Additions	4.4	-	17.6	22.0
Lease terminations	(8.5)	-	(10.7)	(19.2)
Currency translation differences	1.7	-	1.9	3.6
As at 30 September 2024	**40.8**	**0.1**	**120.1**	**161.0**
Depreciation:				
At 1 October 2022	(16.4)	-	(39.7)	(56.1)
Amortisation charge	(6.6)	-	(15.8)	(22.4)
Lease terminations	2.3	-	-	2.3
Currency translation differences	(0.6)	-	(0.7)	(1.3)
As at 30 September 2023	**(21.3)**	**-**	**(56.2)**	**(77.5)**
Amortisation charge	(6.1)	-	(16.3)	(22.4)
Lease terminations	7.6	-	10.7	18.3
Currency translation differences	(1.0)	-	(1.0)	(2.0)
As at 30 September 2024	**(20.8)**	**-**	**(62.8)**	**(83.6)**

Notes to the Consolidated Financial Statements

	Leased Land and Buildings $m	Leased Office Equipment $m	Leased Plant and Machinery $m	Total $m
Net book value:				
At 30 September 2023	21.9	0.1	55.1	77.1
At 30 September 2024	**20.0**	**0.1**	**57.3**	**77.4**

The Commodities Group holds right of use assets for various items of land, buildings, plant, machinery and other equipment used in its operations. As at 30 September 2024, the Commodities Group has leases expiring from 2025 to 2048.

During 2024, the Commodities Group entered into lease contracts for new and replacement railcars, tank storage and office renewals of $22.0 million (2023: $18.3 million). The MLP division contributed to the majority of additions, $17.5 million (2023: $15.7 million). The Commodities Group also recognised lease terminations in the year, these were mainly contributed to by the MLP division and relate to tank storage leases.

14. Intangible Assets

14.1 Goodwill

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Commodities 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.

14.2 Impairment of Goodwill and Indefinite Life Intangible Assets

The Commodities 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 year of acquisition is performed by comparing post-acquisition performance in that 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.

Notes to the Consolidated Financial Statements

14.3 Other Intangibles

Amortisation is provided on software so as to write off the cost, less any estimated residual value, over the expected useful economic life on a straight-line basis over three to ten years.

Amortisation of intangible assets is included in Administrative and selling expenses in the Consolidated statement of Profit or Loss.

	Goodwill $m	Software $m	Total $m
Cost:			
At 1 October 2022	**14.2**	**12.0**	**26.2**
Additions	-	1.3	1.3
Additions through business combinations	0.5	-	0.5
Disposals	-	(0.3)	(0.3)
At 30 September 2023	**14.7**	**13.0**	**27.7**
Additions	-	2.2	2.2
Additions through business combinations	0.5	-	0.5
At 30 September 2024	**15.2**	**15.2**	**30.4**
Accumulated amortisation:			
At 1 October 2022	**-**	**(6.0)**	**(6.0)**
Amortisation charge	-	(1.2)	(1.2)
Disposals	-	0.3	0.3
At 30 September 2023	**-**	**(6.9)**	**(6.9)**
Amortisation charge	-	(1.3)	(1.3)
At 30 September 2024	**-**	**(8.2)**	**(8.2)**
Accumulated impairment losses:			
At 1 October 2022	**(4.0)**	**-**	**(4.0)**
Charge for the year	-	-	-
At 30 September 2023	**(4.0)**	**-**	**(4.0)**
Charge for the year	-	-	-
At 30 September 2024	**(4.0)**	**-**	**(4.0)**
Carrying amount			
At 30 September 2023	10.7	6.1	16.8
At 30 September 2024	**11.2**	**7.0**	**18.2**

On 13 August 2024, the Commodities Group acquired the remaining 50% shareholding in Nutricion Liquida de Mexico S.A. de C.V. ("NULIX"). NULIX was previously accounted for as a joint venture. The consideration for acquiring these assets was $0.6 million. Goodwill arising on the transaction was $0.5 million.

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

	2024 $m	2023 $m
Marketing of commodities	**2.0**	2.0
Processing of commodities	**9.2**	8.7
	11.2	10.7

Goodwill is tested for impairment at least annually. The recoverable amounts of the CGUs are determined using fair value less costs of disposal ("FVLCD") based on approved financial budgets and forecasts for the next three years.

The main sources of estimation uncertainty for any impairment review are based on key assumptions which are as follows:

- Weighted Average Cost of Capital ("WACC"): 9.2% based on the CGU specific rate.
- Growth to perpetuity: 2% based on long-term inflation target used by the Federal Reserve.
- Growth on revenue: 2.1% representing rate of inflation per the International Monetary Fund ("IMF").
- Growth of expenses: 2.1% representing rate of inflation per the IMF.

If the WACC increased by 5%, from 9.2% to 14.2%, the recoverable value reduces by 41% without changes in any of the other key assumptions. If the revenue growth rate declined from 2.1% to 1.1% and no changes to expenses (into perpetuity) the goodwill would be fully impaired. If the expense growth rate increased from 2.1% to 3.1% and no changes to revenue (into perpetuity) the goodwill would be fully impaired. Given the trading nature of the business, increases in costs will be either passed on to the customer or alternative steps taken to manage costs and capital expenditure. Therefore, the above changes to assumptions are considered to be remote scenarios.

15. Investments and Transactions

15.1 Investment in Joint Ventures and Associates

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

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

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

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

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

	Joint Ventures $m	Associates $m	Total $m
At 1 October 2023	**3.6**	**3.7**	**7.3**
Disposals	(0.6)	(0.2)	(0.8)
Share of retained earnings	0.4	0.4	0.8
Dividends	(0.6)	-	(0.6)
Currency translation differences	0.2	-	0.2
At 30 September 2024	**3.0**	**3.9**	**6.9**

15.2 Joint Ventures

The following table illustrates the aggregate amount of the Commodities Group's share of immaterial joint ventures:

	2024 $m	2023 $m
Commodities Group's share of:		
Profit after tax	0.4	1.0
Total comprehensive income	0.4	1.0
Carrying amount of interests in joint ventures	3.0	3.6

15.3 Associates

The aggregate of the Commodities Group's immaterial associates is accounted for using the equity method. All operations are continuing. The following table illustrates the aggregate amount of the Commodities Group's share of immaterial associates:

	2024 $m	2023 $m
Commodities Group's share of:		
Profit after tax	0.4	0.8
Total comprehensive income	0.4	0.8
Carrying amount of interests in associates	3.9	3.7

15.4 Available for sale investments

Investments held at FVTOCI (See note 17.1) are all investments that are not subsidiaries, associates and joint ventures. Such investments are recorded at fair value and re-measured at subsequent reporting dates. Fair value is based in accordance with IFRS 13 (See note 17.4).

Available for sale investments are held in the Coffee division. At 30 September 2023 the Commodities Group had a 51% interest in Yunnan Volcafe that was held as a joint venture. In September 2024 the Group disposed of 41% for $1.3 million. At 30 September 2024 the Group holds a remaining 10% share as an Available for Sale Investment.

15.5 Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the Consolidated Statement of Financial Position.

As of 30 September 2024, the Commodities Group classified the fixed assets in its subsidiary ED&F Man Ingredients sro ("Man Ingredients") as assets held for sale. In September 2024, Man Ingredients signed a sale intention agreement to sell its property: land, buildings, machinery, and equipment to a third party company. The carrying amount of the assets was $3.1 million prior to the transfer to held for sale including an impairment of $3.8 million. The sale is expected to complete in December 2024 for total consideration of $4.0 million with costs to sell of $1.9 million.

As of 30 September 2023, the Commodities Group classified its investment in its associate Envasadora de Azúcar Inc. as an asset held for sale. On 27 September 2023, ED&F Man Holdings BV which held the 35% minority shareholding passed a board resolution confirming agreement to the disposal. The carrying amount of the investment was $5.5 million prior to the transfer to held for sale. The sale completed in December 2023 for total consideration of $5.8 million.

16. Trade and Other Receivables

	2024 $m	2023 $m
Current receivables		
Trade receivables	596.4	434.5
Amounts owed by related parties	9.1	2.3
Amounts owed by joint ventures and associates	0.7	1.6
Tax receivables	22.8	30.3
Margins with exchanges	115.1	15.1
Prepayments	106.0	81.3
Other receivables	9.0	8.6
	859.1	**573.7**
Non-current receivables		
Amounts owed by related parties	-	18.1
Other receivables	8.8	6.3
	8.8	**24.4**

Note 17 includes details of collateral and credit enhancements held by the Commodities Group.

17. Financial Instruments and Financial Risk Management

17.1 Financial Assets and Liabilities

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

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

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

17.2 Derivative Financial Instruments

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

IFRS 9 sets out definitions for derivative financial instruments ("DFI") which affect the accounting treatment of the majority of the Commodities Group's physical commodity activities, in addition to the Commodities Group's futures (trading and economic hedging) activities and derivatives held with clients.

IFRS 9 requires that certain financial assets and liabilities, including all DFI, 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, unless those financial assets and liabilities qualify for the "own use" exemption as referred to below.

Physical commodity contracts fall into two types:

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

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

17.3 Impairment of Financial Assets

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

The Commodities Group applies the simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected credit loss provision. The expected credit losses on these financial assets are estimated using a provision matrix by reference to past default experience and an equivalent credit rating, adjusted as appropriate for current observable data and forward-looking information. For all other financial assets at amortised cost, the Commodities Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition, which is determined by:

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

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

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

17.4 Fair Value Measurement

IFRS 13 sets out a fair value hierarchy, which consists of three levels that describe the methodology of estimation. The Commodities Group's valuation strategy for derivatives and other financial instruments utilises, as far as possible, quoted prices in an active market.

Valuations fall into three levels of reliability:

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

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

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

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

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

17.5 Cash Flow Hedging

Notes to the Consolidated Financial Statements

The Commodities 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 Commodities 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 or on abandonment of the underlying subsidiary.

The Commodities 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.

17.6 Carrying Amounts of Financial Assets and Financial Liabilities

The carrying amounts of financial assets and liabilities included in the balance sheet are set out below:

	At Fair Value through Profit or Loss $m	At Fair Value through OCI $m	Amortised Cost $m
At 30 September 2024			
Financial assets:			
Trade and other receivables	-	-	723.5
Available for sale investments	-	0.5	-
Cash and cash equivalents	-	-	183.0
Other financial assets:			
Derivative financial instruments	261.2	-	-
Total financial assets	**261.2**	**0.5**	**906.5**
Financial liabilities:			
Trade and other payables	-	-	(565.3)
Lease liabilities	-	-	(80.5)
Loans and overdrafts, excluding transaction costs	-	-	(905.8)
Other financial liabilities:			
Derivative financial instruments	(432.5)	-	-
Total financial liabilities	**(432.5)**	-	**(1,551.6)**
Net financial assets / (liabilities)	**(171.3)**	**0.5**	**(645.1)**

	At Fair Value through Profit or Loss $m	At Fair Value through OCI $m	Amortised Cost $m
At 30 September 2023			
Financial assets:			
Trade and other receivables	-	-	462.2
Cash and cash equivalents	-	-	175.7
Other financial assets:			
Derivative financial instruments	292.6	-	-
Total financial assets	**292.6**	**-**	**637.9**
Financial liabilities:			
Trade and other payables	-	-	(554.1)
Lease liabilities	-	-	(79.6)
Loans and overdrafts, excluding transaction costs	-	-	(867.7)
Other financial liabilities:			
Derivative financial instruments	(93.9)	-	-
Total financial liabilities	**(93.9)**	**-**	**(1,501.4)**
Net financial assets / (liabilities)	**198.7**	**-**	**(863.5)**

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

17.7 Derivative Financial Assets and Liabilities

The following table shows the fair value of derivative financial assets and liabilities analysed by maturity period and by methodology of fair value estimation:

	Less than 1 Year $m	1-2 Years $m	2-3 Years $m	3-4 Years $m	4-5 Years $m	More than 5 Years $m	Total $m
Financial assets							
Level 1	1.0	1.8	-	-	-	-	2.8
Level 2	246.8	10.8	0.8	-	-	-	258.4
	247.8	**12.6**	**0.8**	-	-	-	**261.2**
Financial liabilities							
Level 1	(190.9)	-	-	-	-	-	(190.9)
Level 2	(234.9)	(6.1)	(0.6)	-	-	-	(241.6)
	(425.8)	**(6.1)**	**(0.6)**	-	-	-	**(432.5)**
Net fair value							
30 September 2024	**(178.0)**	**6.5**	**0.2**	-	-	-	**(171.3)**
Financial assets							
Level 1	35.6	4.0	-	-	-	-	39.6
Level 2	233.4	18.3	0.7	0.6	-	-	253.0
	269.0	**22.3**	**0.7**	**0.6**	-	-	**292.6**
Financial liabilities							
Level 1	(5.8)	-	-	-	-	-	(5.8)
Level 2	(87.2)	(0.9)	-	-	-	-	(88.1)
	(93.0)	**(0.9)**	-	-	-	-	**(93.9)**
Net fair value							
30 September 2023	**176.0**	**21.4**	**0.7**	**0.6**	-	-	**198.7**

17.8 Nature and Netting of Derivative Financial Assets and Liabilities

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset.

The following table sets out the gross amounts of derivative financial instruments that are subject to netting agreements and the nature of instruments used:

	2024			2023		
	Gross Amount of Financial Assets $m	Gross Amount of Financial Liabilities $m	Net Amount in Balance Sheet $m	Gross Amount of Financial Assets $m	Gross Amount of Financial Liabilities $m	Net Amount in Balance Sheet $m
Derivative assets - agricultural commodities	**347.0**	**(93.3)**	**253.7**	505.0	(219.6)	285.4
Derivative assets - foreign exchange	**7.5**	-	**7.5**	7.2	-	7.2
Derivative liabilities - agricultural commodities	**714.0**	**(1,052.7)**	**(338.7)**	-	(91.5)	(91.5)
Derivative liabilities - foreign exchange	-	**(93.8)**	**(93.8)**	-	(2.4)	(2.4)

17.9 Financial Risk Management Objectives and Policies

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

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

The GARC provides assurance to the Board that the Commodities Group's credit, market, liquidity and operational risk exposures are governed by appropriate policies and procedures, and that risks are identified, measured and managed in accordance with established Holdings' policies.

The Commodities Group operates a combined Treasury function which is responsible for the management of liquidity risk, including funding, settlements and related policies and processes.

17.10 Capital Management

For the purposes of the Commodities Group's capital management, capital includes the Commodities Group Equity (primarily historic retained earnings), the various debt facilities (both cross commodity and bilateral) and cash. The Commodities Group's objective in managing capital is to maintain a strong capital base to maintain the confidence of Suppliers, Customers and Lenders with an appropriate geographic and capital mix to support our operations globally, including terminals, tankage and distribution assets.

In order to achieve this objective Holdings completed a restructuring on 31 March 2022, with the aim of creating a sustainable, appropriately capitalised and ring-fenced Commodities Group. The Commodities Group was effectively separated from all other operations within Holdings. This was achieved through an internal reorganisation, and the release of all guarantees and security which previously supported the Legacy Debt (the "Restructure"). The Commodities Group has no direct obligation towards Holdings' Legacy Debt, which has been structurally and legally ring-fenced. This, along with the restructuring of various intercompany loans, has effectively restructured the Commodities Group's debt.

The Restructure also strengthened and stabilised the capital of the Commodities Group, with $300 million of additional liquidity raised from Lenders in the form of a three-year committed trade finance facility and the extension of the maturity of the Commodities Group's existing borrowing base and revolving credit facility by up to three years. During August 2024, the Commodities Group agreed the amendment and extension of the debt – the key changes were the extension of the existing facilities until 31 March 2026, increase in revolving credit facility size from $89 to $114 million, borrowing base size from $200 to $241 million, and slight reduction in interest margin on all elements of the debt.

The management of the capital structure is conducted by the Board of Directors, the GARC, and the combined Treasury Function. With a strong and stable capital structure post restructuring, the Commodities Group is focused on managing its capital structure and adjusting it in light of changing strategic objectives and broader economic conditions. To maintain or adjust the capital structure, the Commodities Group may add, amend or exit bilateral facilities, adjust the mix of sub-facilities within the new trade finance facility, or provide dividend payments to Holdings. The Commodities Group needs to comply with various covenants, including minimum consolidated tangible net worth of $370 million; gearing ratio of 3.5:1 at each quarter end; and cash interest cover of 2.7 times EBITDA. These have been imposed by the Lenders to monitor the strength of the Commodities Group Capital Structure. These covenants are tested on a quarterly basis. The Commodities Group defines net borrowings as loans and borrowings, less cash (excluding restricted cash).

	2024 $m	2023 $m
Interest bearing loans and borrowings[1]	**905.8**	867.7
Less: cash and cash equivalents, excluding restricted cash	**(171.4)**	(145.5)
Net borrowings	**734.4**	722.2
Equity	**477.5**	505.5
Gearing Ratio (times)	**1.5**	1.4
Cumulative Tangible Net Worth[2]	**458.3**	483.5

[1] *Excludes debt transaction costs of $8.8 million (2023: $13.1 million)*

[2] *Cumulative Tangible Net Worth is defined as Net Assets excluding intangible assets and debt transaction costs*

These, and other ratios, are monitored by the Commodities Group as they form part of the financial covenants of the cross commodities and bilateral facilities. Breaches of financial covenants can have serious implications at a local level or at a Commodities Group level, including permitting banks to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current period.

17.11 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 Commodities 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 Commodities Group's financial assets, liabilities or future flows.

IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes to relevant market risk variables on the Commodities Group's profit or loss. Each type of market risk is subject to varying degrees of volatility. 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.

17.12 Commodity Price Risk

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

For derivative contracts i.e., outright positions on the futures markets the sensitivity of the net fair value to an immediate 5% increase or decrease in underlying commodity prices would have been $23.6 million at 30 September 2024 (2023: $17.0 million).

17.13 Foreign Currency Exchange Risk

The Commodities Group's policy is not to speculate on foreign currency, and this is enforced through the Commodities 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.

The sensitivity analysis has been prepared for the major currencies to which the Commodities Group is exposed, Euro, GBP and MXN. Recent historical movements in these currencies have been considered and it has been concluded that a 5–10% movement in rates is a reasonable benchmark.

For the years ended 30 September, if the average currency conversion rates against US dollar for the year had changed with all other variables held constant, the Commodities Group post-tax profit for the year and the components of equity would have increased or decreased as shown below:

	Movement against US Dollars			
	-10% $m	-5% $m	5% $m	10% $m
2024				
Estimated impact on post-tax profit				
Euro	(0.4)	(0.2)	0.2	0.4
GBP	(0.3)	(0.1)	0.1	0.3
MXN	0.3	0.2	(0.2)	(0.3)
Estimated impact on components of equity				
Euro	(5.7)	(2.9)	2.9	5.7
GBP	(0.8)	(0.4)	0.4	0.8
MXN	(1.0)	(0.5)	0.5	1.0
2023				
Estimated impact on post-tax profit				
Euro	(2.1)	(1.1)	1.1	2.1
GBP	0.1	-	-	(0.1)
MXN	(0.2)	(0.1)	0.1	0.2
Estimated impact on components of equity				
Euro	(5.1)	(2.5)	2.5	5.1
GBP	(0.5)	(0.2)	0.2	0.5
MXN	(1.5)	(0.7)	0.7	1.5

17.14 Interest Rate Risk

Interest rate risk arises from the Commodities Group's borrowing facilities on which a variable rate of interest is charged. The Commodities Group's policy is to borrow funds at floating rates of interest that broadly match the period in which the Commodities Group owns or economically finances its underlying commodity purchases. As at 30 September 2024, the Commodities Group's borrowings of $897.0 million (2023: $854.6 million) are predominantly denominated in USD. The unamortised debt transaction costs were $8.8 million (2023: $13.1 million).

The Commodities Group's profit or loss is influenced by interest rates. Exposure to interest rate risk is monitored through several measures including sensitivity and scenario testing and a cost benefit analysis of entering into interest rate swaps to mitigate this risk. At 30 September 2024 and 2023, no interest rate swaps were in place.

	2024 $m	2023 $m
Interest bearing loans and borrowings (excluding debt transaction costs)	**905.8**	867.7
Lease liabilities (Note 21)	**80.5**	79.6
Total interest-bearing debt	**986.3**	947.3

Cash flow sensitivity analysis is summarised below which shows that a change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, and commodity prices remain constant, where movements which may mitigate the exposure to interest rate risk.

	2024 $m	2023 $m
Effect of 100bp increase on Profit or Loss	**9.9**	9.5
Effect of 100bp decrease on Profit or Loss	**(9.9)**	(9.5)
Effect of 100bp increase on Equity	**(9.9)**	(9.5)
Effect of 100bp decrease on Equity	**9.9**	9.5

17.15 Credit Risk

The Commodities Group is exposed to credit risk from its operating activities and certain financing activities. Financial assets which potentially expose the Commodities 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 Commodities Group's total credit exposure. The Commodities 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 Commodities 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 Commodities Group to credit risk is considered. The Divisional Risk Committees control credit risk through the credit approval process for counterparties, setting limits for all counterparties, carrying out an annual reassessment of significant counterparty limits, and monitoring individual exposures against limits.

These committees review ageing of receivables, net payment risk, pre-finance and market default exposures, inventories limits, non-current asset limits, and bond and guarantee limits. In addition, the GARC sets total exposure limits for each country.

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

	2024 $m	2023 $m
Maximum credit exposure		
Trade and other receivables	**607.7**	445.5
Amounts owed by joint ventures and associates	**0.7**	1.6
Margins with exchanges	**115.1**	15.1
Derivative financial instruments	**261.2**	292.6
Cash and cash equivalents	**183.0**	175.7
	1,167.7	930.5

The Commodities 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 Commodities Group may also require collateral or other credit enhancements such as deposits, letters of credit, pledged inventories or parent company guarantees to reduce or offset credit risk. As at 30 September 2024, $79.2 million of the trade receivables have collateral pledged (2023: $54.3 million). The fair value of such collateral and credit enhancements, including deposits, pledged inventories, parent company guarantees, and letters of credit was $79.2 million (2023: $54.3 million). The amounts disclosed in the financial instruments' analysis are shown without the benefit of risk mitigation through insurance, collateral or other credit enhancements. There was no collateral repossessed in the years ended 30 September 2024 and 2023.

	2024 $m	2023 $m
Trade receivables		
Neither impaired nor past due	**516.6**	313.5
Not impaired and past due in the following periods:		
within 30 days	**66.8**	91.3
31 to 60 days	**8.8**	20.9
61 to 90 days	**1.3**	3.8
Over 90 days	**2.9**	5.0
	596.4	434.5

The movement in the allowance for expected credit losses for the year ended 30 September is set out below:

	Trade Receivables	
	2024 $m	2023 $m
Allowance for expected credit losses		
Balance brought forward	**(10.0)**	(8.8)
Charge for the year	**(10.9)**	(3.9)
Utilisation	**0.3**	1.2
Reversal	**2.0**	1.6
Currency translation	**(0.1)**	(0.1)
Balance carried forward	**(18.7)**	(10.0)

At the year end, cash and cash equivalents were invested as follows using ratings from major, reputable credit rating institutions:

	2024 $m	2023 $m
Counterparty rating		
AAA	**0.1**	0.1
AA	**126.3**	111.6
A	**18.1**	20.6
BBB	**12.4**	15.7
BB	**6.7**	12.7
B	**0.3**	0.3
Unrated	**19.1**	14.7
Total	**183.0**	175.7

17.16 Liquidity Risk

Liquidity risk is the risk that the Commodities Group may not be able to settle or meet its obligations on time. The Treasury Function works with Divisional Trade Finance Teams centrally to co-ordinate relationships with banks, borrowing requirements, foreign exchange requirements, cash flow reporting and management. Other responsibilities include management of the Commodities Group's central cash resources, the structuring of cross-commodity facilities, the oversight of all significant treasury activities across the Commodities Group and monitoring covenant compliance. (See Note 17.10)

The Commodities Group manages its liquidity risk on a consolidated basis, utilising available cash (both centrally held and held in the divisions) and drawings from cross-commodity facilities, to maintain flexibility whilst minimising interest costs. Unless restricted by local regulations, divisions pool their surpluses with the Commodities Group, which arranges to fund an element of each division's requirements, and uses any surplus to reduce external borrowings, while managing the Commodities Group's overall net currency positions. The Commodities Group's liquidity risk management strategy includes structuring its financial facilities to meet funding requirements, with access to both cross-commodity and bilateral facilities from a diverse range of banks.

As at 30 September 2024, the Commodities Group has committed secured facilities which include medium-term multicurrency syndicated facilities with maturities in excess of 12 months. Total facilities and debt drawn as at 30 September 2024 and 2023 are:

	2024 $m	2023 $m
Secured facilities	**1,274.4**	1,003.6
Unsecured facilities	**804.1**	675.9
Total facilities	**2,078.5**	1,679.5
Debt drawn, excluding debt transaction costs	**972.6**	887.1

As at 30 September 2024, the Commodities Group has off-balance sheet hedging facilities of $187.9 million (2023: $120.4 million) with utilisation of $124.4 million (2023: $29.9 million).

During the year, the Commodities Group extended the maturity of its Revolving Credit, Borrowing Base and Trade Finance Facilities from December 2024 / March 2025 to March 2026.

The table below analyses the Commodities Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The maturity profile 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 22.

	Trade Payables $m	Lease Liabilities $m	Loans and Overdrafts* $m	Derivative Financial Instruments $m
Financial liabilities				
Within one month	**252.8**	**0.2**	**117.3**	**147.2**
One to three months	**26.0**	**0.5**	**118.0**	**205.5**
Three months to one year	**14.8**	**21.4**	**213.1**	**73.1**
One to two years	**-**	**18.9**	**433.9**	**6.1**
Two to five years	**-**	**32.3**	**80.0**	**0.6**
More than five years	**-**	**13.1**	**0.6**	**-**
At 30 September 2024	**293.6**	**86.4**	**962.9**	**432.5**
Financial liabilities				
Within one month	221.8	1.7	169.1	53.9
One to three months	21.2	3.4	84.4	11.5
Three months to one year	4.3	16.3	172.0	27.6
One to two years	-	15.7	41.0	0.9
Two to five years	-	38.2	504.3	-
More than five years	-	9.9	-	-
At 30 September 2023	247.3	85.2	970.8	93.9

**Excludes debt transaction costs of $8.8 million (2023: $13.1 million)*

The Commodities Group uses cash flow hedges to mitigate the risk of exposure to changes in the sugar price in certain of its beet sugar production operations. The hedges are impacted by selling forward on sugar futures exchanges. At 30 September 2024, the fair value of such hedging instruments was a liability of $4.2 million (2023: liability of $2.0 million). Related flows are all expected to occur and to affect Commodities Group profit or loss within one year of the balance sheet date.

18. Inventories

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

Inventories held for trading are recorded at fair value less cost of disposal at the balance sheet date on a basis consistent with derivative financial instruments under IFRS 9, with changes in fair value reflected within cost of sales in the profit or loss.

	2024 $m	2023 $m
Inventories held for trading	**968.9**	825.3
Held for own use	**11.0**	30.4
	979.9	855.7

Cost of inventories recognised as an expense within cost of sales in the year ended 30 September 2024 was $7,151.7 million (2023: $6,828.9 million). There was no charge to cost of sales for inventories held for trading being written down to net realisable value for the years ended 30 September 2024 and 2023. Included in inventories held for trading is $788.2 million (2023: $579.0 million) recorded at fair value less costs to sell and classified as a Level 2 valuation derived from observable market inputs.

Inventories held for trading includes $27.8 million (2023: $25.2 million) of inventory sold to a third party with an option to repurchase. The consideration received has been accounted for within 'financial liabilities'.

19. Cash and Cash Equivalents

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

	2024 $m	2023 $m
Restricted cash and cash equivalents*	**11.6**	**30.2**
Cash at bank and in hand	171.4	145.5
Cash and cash equivalents - other	**171.4**	**145.5**
Total cash and cash equivalents	**183.0**	**175.7**

* Restricted cash and cash equivalents are held in countries in which prior government authority approval is required to transfer the funds outside the country due to local foreign exchange regulations.

20. Trade and Other Payables

	2024 $m	2023 $m
Current payables		
Trade payables	293.6	247.3
Amounts owed to related parties	6.2	5.7
Amounts owed to joint ventures and associates	3.6	5.6
Corporation tax payable	21.9	25.7
Other taxation and social social security costs	7.3	15.7
Margins with exchanges	8.0	38.0
Accruals and deferred income	258.7	261.4
Other payables	11.4	8.4
	610.7	**607.8**
Non-current payables		
Trade creditors	0.4	0.4
Other creditors	1.1	1.0
	1.5	1.4

21. Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Commodities Group's incremental borrowing rate for the same term as the underlying lease. Lease payments included in the measurement of lease liabilities comprise fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate as at the commencement date.

Lease modifications result in remeasurement of the lease liability on the date those modifications are effective. The Commodities Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- *The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.*
- *The lease payments change due to material changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.*
- *A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.*

Movements of the Commodities Group's lease liabilities for the year ended 30 September are as follows:

	2024 $m	2023 $m
Opening lease liabilities	79.6	81.0
Additions	21.5	18.0
Lease terminations	(1.0)	(0.3)
Interest expense relating to lease liabilities	2.5	2.4
Payments	(24.0)	(23.7)
Exchange difference	1.9	2.2
Closing lease liabilities balance	**80.5**	**79.6**
Current	19.9	20.7
Non-current	60.6	58.9
	80.5	**79.6**

The maturity analysis of undiscounted lease liabilities is disclosed in Note 17.16.

22. Loans and Overdrafts

22.1 Initial Recognition

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

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

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

22.2 Extinguishment and Modification

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

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

22.3 Subsequent Measurement

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

22.4 Carrying Amount of Loans and Overdrafts

	2024 $m	2023 $m
Current bank loans and overdrafts		
Current loans and overdrafts	**448.5**	415.6
Debt Transaction Costs	**(5.9)**	(9.1)
Total current loans and overdrafts	**442.6**	406.5

	2024 $m	2023 $m
Non-current bank loans		
Revolving Credit Facility	**85.0**	75.0
Borrowing Base	**180.0**	166.0
Trade Finance Facility	**120.3**	103.1
Other Loans and Borrowings	**72.0**	108.0
Total non-current loans and overdrafts	**457.3**	452.1
Debt Transaction Costs	**(2.9)**	(4.0)
Total non-current loans and overdrafts	**454.4**	448.1

Total available facilities are disclosed in note 17.16 Liquidity Risk

Debt amendment and extension (A&E)

The Commodities Group completed the amendment and extension of its existing Revolving Credit, Borrowing Base and Trade Finance Facilities effective 27 September 2024. As a result, the facilities have been extended until 31 March 2026.

23. Provisions

Provisions are recognised in the balance sheet when the Commodities 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 Commodities 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. Expenses relating to provisions are presented in profit or loss, net of any reimbursement.

	Legal Claims $m	Other Provisions $m	Total $m
At 1 October 2023	18.4	6.6	25.0
Additions	0.6	8.6	9.2
Utilised	-	(3.1)	(3.1)
Released	(0.1)	-	(0.1)
Net foreign exchange differences	1.3	(0.2)	1.1
At 30 September 2024	**20.2**	**11.9**	**32.1**
Current	-	10.5	10.5
Non-current	20.2	1.4	21.6
	20.2	**11.9**	**32.1**

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.

During the year ended 30 September 2021, a legal provision was recognised in respect of litigation relating to Spanish IPR. The claim is denominated in euros and is translated to $19.7 million as at 30 September 2024 (2023: $18.1 million). During the current year, penalty interest of $0.6 million was accrued on the liability. There was no change to the status of the legal claim in the year ended 30 September 2024, and no definitive resolution date.

Additions in the year ending 30 September 2024 relate to a quality claim and onerous contracts. The outstanding other provisions mainly relate to onerous lease contracts, potential insurance disputes, restructuring costs and dilapidations.

The remaining legal and other provisions do not yet have a definitive resolution date, so 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 items.

24. Share Capital

24.1 Accounting Policy

Ordinary 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.

	Allotted, Called Up and Fully Paid US$1 each	
	Number	$m
At 30 September 2023	376,469,139	376.5
At 30 September 2024	**376,469,139**	**376.5**

24.2 Share Options

Holdings historically made conditional share awards to some Commodities Group employees under annual schemes based on the performance of the individual and of Holdings. No new share awards have been granted since the financial year ended 30 September 2021. Movements in share options represent the vesting and exercise of these historic grants. The schemes permitted the employee to purchase a defined number of Holdings shares over a vesting period ranging from one to five years after the grant date of the award. The individual's total annual conditional share awards are exercisable at an aggregate price of $1 and lapse within a maximum of ten years after the grant date of award.

A charge in respect of employee share-based payments is recognised in the profit or loss, with a corresponding entry in the profit or loss reserve and reflects the fair value of the services received. The fair value of the service is determined using a valuation technique based on the fair value of the equity instruments granted and is spread over the performance and vesting period. The charge to the profit or loss is adjusted based on an estimate of awards that will lapse prior to vesting. Each scheme is assessed individually and estimates of the number of lapses range from 0% – 15%.

The Directors consider that the fair value of Holdings share awards is represented by the Fair Price of the Holdings' shares as at the date the award is granted. The charge for the year to 30 September 2024 for Commodities Group was nil (2023: $0.1 million).

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

	Number of Shares	
	2024	2023
Outstanding at 1 October	**736,279**	2,412,719
Exercised	**(146,993)**	(1,674,773)
Lapsed	**(6,558)**	(1,667)
Outstanding at 30 September	**582,728**	736,279

Exercisable as follows:

	Number of Shares	
	2024	2023
Immediately exercisable	**582,728**	730,121
Between 1 to 2 years	**-**	6,158
	582,728	736,279

25. Notes to the Cash Flow Statement

Commodities Group Reconciliation of Net Cash Flow to Movements in Net Debt

	2024 $m	2023 $m
(Increase) / decrease in cash	**(6.2)**	60.6
Increase in borrowings	**38.3**	43.3
Debt transaction costs paid	**(3.0)**	-
Movement in net debt resulting from cash flows	**29.1**	103.9
Debt transaction costs amortised	**12.4**	9.1
Debt transaction costs accrued	**(5.9)**	-
Effect of change in exchange rates	**(0.5)**	(0.1)
Movement in net debt	**35.1**	112.9
Opening net debt	**678.9**	566.0
Closing net debt	**714.0**	678.9

26. Analysis of Changes in Net Debt

		Loans and Overdrafts		
	Cash Equivalents $m	Current $m	Non-current $m	Net Debt $m
At 1 October 2022	**234.6**	**(405.9)**	**(394.7)**	**(566.0)**
Cash flow	(60.6)	10.0	(53.3)	(103.9)
Debt transaction costs amortised	-	(9.1)	-	(9.1)
Effect of change in exchange rates	1.7	(1.5)	(0.1)	0.1
At 30 September 2023	**175.7**	**(406.5)**	**(448.1)**	**(678.9)**
Cash flow	**6.2**	**(32.8)**	**(5.5)**	**(32.1)**
Debt transaction costs accrued	**-**	**3.9**	**2.0**	**5.9**
Debt transaction costs paid	**-**	**2.0**	**1.0**	**3.0**
Debt transaction costs amortised	**-**	**(9.1)**	**(3.3)**	**(12.4)**
Effect of change in exchange rates	**1.1**	**(0.1)**	**(0.5)**	**0.5**
At 30 September 2024	**183.0**	**(442.6)**	**(454.4)**	**(714.0)**

27. Contingent Assets and Contingent Liabilities

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

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

The ultimate outcome of governmental and third-party legal claims and proceedings is inherently difficult to predict. There are various legal proceedings arising in the ordinary course of business and in cases where the Commodities Group believes the likelihood of losses is probable and can be estimated, provisions are recorded. While ongoing legal proceedings could have a material adverse effect on the Commodities Group's consolidated financial position or results of operations in the future, the Commodities Group believes that none of these matters will have a material adverse effect on its business or financial condition. During 2024 and 2023, the Commodities Group has been involved in certain civil litigation cases.

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 had certain credit rights held through its subsidiary, ED&F Man Coffee Limited, relating to Brazilian Government debt securities (the "Credit Rights"). The Credit Rights represent a receivable in relation to a claim against the Brazilian Government for damages to the Group relating to non-payment of certain amounts owed for coffee dating back to 1986. In 2006 a final court decision was given in the Group's favour following which the Brazilian Government has no further right to appeal. The execution process has been underway since, with court experts appointed to establish the correct figures and timing of payment. During 2020, the Group received a proposal to sell these Credit Rights to a third party and in February 2021 a transaction was agreed with a third party to sell these rights for $16.7 million before taxes and transaction costs. During 2024, a further $12.0 million before taxes was recognised as "Other income" in respect of Credit Rights proceeds received for losses and damages and earn out payments.

In the prior year, the Commodities Group became aware of investigations by regulatory authorities into alleged historic breaches (prior to the financial years covered by these financial statements) by the Commodities Group's sugar trading business of sanctions regulations in force against one particular territory. The Commodities Group has appointed lawyers, who in turn have engaged forensic accountants, to support its own investigation into these matters and is co-operating fully with the external investigations. The Commodities Group is confident that the alleged breach is isolated to the specific territory and segment identified. At this stage, due to the early stage of the investigations, the Commodities Group is not able to provide a reliable indication of the outcome, including the existence, timing and amount of potential future financial obligations (such as fines, penalties or damages), if any, although they could possibly be material. Therefore, no provision has been made in these financial statements.

Notes to the Consolidated Financial Statements

28. Related Party Transactions

28.1 Commodities Group

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

	Sales		Purchases		Amounts Owed From		Amounts Owed To	
	2024	2023	2024	2023	2024	2023	2024	2023
Associates	**-**	-	**-**	-	**-**	-	**(3.4)**	(5.4)
Joint ventures	**-**	-	**-**	-	**0.7**	1.6	**(0.2)**	(0.2)
Equity investor	**-**	-	**18.5**	6.2	**-**	-	**-**	-
Fellow subsidiaries	**-**	-	**-**	-	**9.1**	20.4	**(6.4)**	(5.7)

	2024 $m	2023 $m
Interest received from fellow subsidiaries	14.4	7.6
Interest paid to fellow subsidiaries	(14.4)	(7.6)
Intercompany interest, net	**-**	**-**

The Commodities Group obtains key management personnel services from fellow subsidiaries of ED&F Man Holdings Limited, which reports key management personnel compensation.

29. Subsequent Events

Hartree Partners, LP communicated its intent to purchase the Commodities Group in December 2024. Prior to the closing of the acquisition of the Commodities Group by Hartree Partners, LP or one of its subsidiaries, which is expected to occur in 2025 upon regulatory approval, a tax restructuring is required to be completed. As a part of this restructuring project, additional work is currently underway to assess the impact of the restructuring, and to review current tax treatments and structures, and the impact, if any, to the Commodities Group.

The Commodities Group performed a review of events subsequent to the balance sheet date through to the date the financial statements were issued and determined that there were no other events requiring recognition or disclosure in the financial statements.

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ED&F Man Annual Report and Financial Statements for the year ended 30 September 2024

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