Annual Report and Financial Statements

For the year ended 30 September 2023

ED&F MAN
EST. 1783

Commodities Limited

Contents






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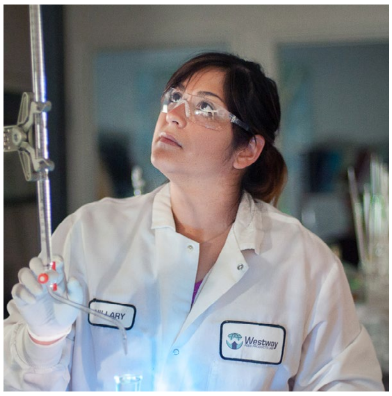
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ED&F MAN

Business Overview

ED&F Man Commodities is a vital link in the global food supply chain and a leading provider of soft commodities and logistics. We source, store, process, ship and distribute a range of products including sugar, coffee, molasses, animal feed, and fish oils; promoting responsible sourcing and the highest food standards.

We benefit from 240 years' experience at the forefront of world trade. Our global infrastructure, operational expertise and execution capability ensures timely delivery of products that meet the stringent safety, sustainability and quality standards of our customers all over the world.

We market commodities to a loyal base of over 6,000 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, through supply-chain expertise, support responsible agriculture and protect food sources. We strive to build better businesses, improving lives and livelihoods not just within our own ranks but in the agricultural communities that supply and serve us.

Corporate responsibility is ingrained within ED&F Man Commodities. As an employee-owned business we benefit from the experience and diversity of 2,900+ people in 41 countries, taking great care to limit the environmental impact of our operations and reduce waste. Our future growth strategy is based on sustainable development principles.

During the year ended 30 September 2023, the three divisions of the Commodities Group delivered record profitability alongside improvements in environmental protection and sustainability, working culture and support of local communities. As global market volatility continues to increase, driven by climate change, unusual El Niño weather patterns, supply chain dislocations, fluctuating energy prices and the continuing war in Ukraine, the Commodities Group has proved to be resilient and adaptable over the year in the face of considerable challenges.

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 Group operates.

Sustainability

As an agricultural commodity trader, we are dependent upon nature and the land. Sustainability is much more than just a programme at ED&F Man; it is integral to who we are and our vision for future growth. It is inherent in our culture and values, embedded in our commercial strategy and daily operations, and championed in every part of our organisation across the globe. During this reporting period, as part of our continuing sustainability efforts, we launched our new Sustainability Strategy which is based on three pillars: Environmental Stewardship, Improving Lives and Responsible Sourcing.

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

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

Activities at Origin

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

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/trading
- Tendering

Stakeholder Relationship Management

- Customer relations
- Supplier relations
- Community outreach

ED&F Man Commodities in Numbers

240
years in business

$7.4
billion annual revenue in 2023

2,938
people worldwide

41
countries

110
locations globally

6,000
customers

3,000
suppliers

13%
reduction in carbon emissions from across the Commodities Group in FY23

2023 Operational Highlights

- Despite ongoing disruption in the global supply chain, we continued to deliver high quality soft commodity 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, traded over 536,000 metric tonnes ("MT") of coffee (a 12% increase on FY22) serving a high-quality global client base.
- Our Molasses and Liquid Products ("MLP") division maintained its market leading position, trading 5.9 million tonnes of molasses, molasses blends, liquid feeds, beet pulp pellets and fish oils for global clients with increased profit margins.
- Our Sugar division continued to trade steadily and increase profitability, trading 5.5 million MT of sugar and sugar products.

Financial highlights

- Another record year of results in FY23, following the previous record set in FY22, as the businesses took advantage of volatility in commodities markets.
- Supported by a stable funding structure that provides certainty for our customers and suppliers, the Commodities Group is positioned to take advantage of the significant opportunities that exist with the increased market volatility.

Key financial highlights for FY23 include:

All $ figures in USD millions

Revenue

$7,371.6

+$462.0 ▲

2023	$7,371.6
2022	$6,909.6
2021	$5,503.1

Gross Profit

$489.6

+$81.8 ▲

2023	$489.6
2022	$407.8
2021	$326.1

Gross Profit (Trading) Margin

6.6%

+0.7% ▲

2023	6.6%
2022	5.9%
2021	5.9%

Adjusted Operating Profit[1]

$251.5

+$71.3 ▲

2023	$251.5
2022	$180.2
2021	$146.3

Profit before Tax

$166.9

+$51.3 ▲

2023	$166.9
2022	$115.6
2021	$94.8

EBITDA[2]

$314.3

+$82.9 ▲

2023	$314.3
2022	$231.4
2021	$177.8

Profit after Tax

$106.5

+$16.8 ▲

2023	$106.5
2022	$89.7
2021	$35.4

Headcount (number)

2,938

+53 ▲

2023	2,938
2022	2,885
2021	3,241

Net Assets

$513.4

+$67.4 ▲

2023	$513.4
2022	$446.0
2021	$429.5

1 Refer to Note 8 for definition of Adjusted Operating Profit and reconciliation to the closest equivalent measure which is Operating Profit.

2 Refer to page 25 for definition of EBITDA and reconciliation to the closest equivalent measure which is Profit before Tax.

Chairman’s Statement

I am pleased to report that the Commodities Group delivered its best-ever performance in the year ended 30 September 2023. Ongoing volatility in commodity markets and continuing supply chain disruption resulted in unprecedented market opportunities which we were well positioned to adapt to and take advantage of.

People

I want to start by thanking all our employees around the globe for the resilience, hard work, adaptability, and skill they have demonstrated. Our team has ensured that trade continued seamlessly, even in particularly challenging circumstances in some regions, delivering for the customers who rely on us as a vital part of the global food supply chain.

Financial Performance

The Commodities Group had an incredible year in FY23 delivering record results at Trading Margin, Adjusted Operating Profit and Profit before Tax (“PBT”) levels. I am pleased to report that the Commodities Group reported a PBT of $166.9 million for the year ended 30 September 2023 (2022: $115.6 million).

The record results in 2023 follow what had been a new high in the financial year ended 30 September 2022.

Our Molasses and Liquid Products (“MLP”) and Sugar divisions both recorded record results, after what had already been a strong prior year. The strongest performance was delivered by MLP with an Adjusted Operating Profit of $104.4 million, stronger than the $59.4 million delivered the previous year, as margin structures continued to support outperformance, across the majority of our MLP businesses. Our European & Far East Trading and Distribution businesses, as well as our North American Molasses Trading business, were all able to take advantage of improved margins in Molasses whilst maintaining volumes. Our Beet Pulp Pellets Business had another strong year, as the Russia/Ukraine conflict continued to drive market volatility. Our Fishoil trading business continued to perform, taking advantage of increased world pricing in the fish oil market. The only MLP business that did not exceed budget was the Westway Feed Products business that, despite a strong start to the year, struggled to maintain volumes and margins driven by challenging dynamics in the US feed market.

"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."

Our Sugar division delivered a record year with an Adjusted Operating Profit of $93.9 million, this compared to $84.2 million in in the year prior, as the Sugar Trading team took advantage of market volatility to capture profitable trading opportunities. Tightening global sugar supply and demand fundamentals have driven high levels of price volatility, which the Sugar Trading division has been able to take advantage of, particularly in its arbitrage trading books.

Finally, our Coffee team, was able to deliver an Adjusted Operating Profit of $57.5 million, despite a difficult and challenging market, this compared to $39.1 million in the previous year. Globally, the Coffee markets have continued to be challenging for all participants. A higher interest rate environment driving higher inventory cash costs, combined with ongoing uncertainty around demand, have continued to drive roasters to the spot market, which creates a challenging market environment for traders. This has lowered overall margins across the coffee trade. Despite these challenges, good origin trading, particularly in our Colombian and Vietnamese operations have allowed our Coffee division to perform well relative to the broader coffee trade.

Sustainability

In early 2023, we refreshed our sustainability strategy to focus on delivering impact across three key areas: Environmental Stewardship, Improving Lives and Responsible Sourcing. The achievements are detailed in the Environmental, Social and Governance ("ESG") section of this report and include a 11% reduction in fossil fuel use and continues our trend of decreased carbon emissions over the past four years.

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.

Outlook

With the support of all our stakeholders, including our lenders, the Commodities Group successfully navigated volatile markets in FY23, to deliver record Profit before Tax of $166.9 million. This success was built on the stable capital base that supported the operations of the Commodities Group in FY23. We are confident that the Commodities Group can leverage this platform to deliver continued success, taking advantage of ongoing market opportunities to successfully trade, leveraging the capital base to further increase liquidity to support growth, and continuing to deliver for our customers and suppliers.

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

Christopher Mahoney
Chairman

26 January 2024

Coffee Division Report

"Despite the challenging coffee markets that continued through the financial year, the Coffee division still delivered Earnings before interest, taxes, depreciation, and amortisation ("EBITDA") of $69.7 million and Profit before Tax of $15.3 million."

Trishul Mandana
Managing Director, Volcafe

	Low	High
FY23 Arabica prices (US$c/lb)	143.9	224.7
FY23 Robusta prices (US$/tonne)	1,792	2,930

Performance measures	2023 $m	2022 $m
Shipped Tonnages (million metric tonnes)	**0.537**	0.479
Revenue	**2,036.0**	2,119.8
Gross Profit (Trading) Margin	**6.4%**	5.3%
EBITDA[3]	**69.7**	52.5
Profit before Tax	**15.3**	9.3
Headcount (number)	**2,103**	2,065
Net assets	**220.7**	197.8

Overview

Our **Coffee** business, Volcafe, is one of the world's largest coffee merchants, trading since 1851 and specialising in worldwide green coffee procurement. With offices in 15 leading coffee origin countries as well as several key destinations around the world, Volcafe supplies coffee to global roasters including Nespresso, Starbucks, Nestle, JDE and Costa.

As a global coffee merchant, Volcafe works across the entire green coffee supply chain from farmer to roaster. 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 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.

Performance Overview

The coffee markets faced similar challenges in FY23 to what we saw in FY22. Higher Interest rates which increase the cost of holding stock to meet future demands, and ongoing uncertainty around consumer demand, have continued to push roasters to purchase in the spot market, rather than building their forward book with their suppliers. Additionally, Roasters have started to use cheaper robusta coffee in their blends.

3 Refer to page 25 for definition of EBITDA and reconciliation to the closest equivalent measure which is Profit before Tax.

"I am pleased with the progress we have made and believe we have a strong foundation to achieve even greater positive impact for the people, the environment and our customers, which are so critical to the success of our business."

The demand shift towards robusta has also led to a steepening of the inversion in the robusta futures market. This has also increased the cost of renewing hedges as the nearby futures expire. These costs have also hampered our ability to take material long positions to take advantage of the rising prices. All these factors have lowered overall margin for the coffee trade.

Despite these challenges, the diversified nature of our business has meant that some of our origin entities have been able to benefit from declining differentials by locking in good margins, particularly in Colombia, Honduras and Tanzania; whilst our Vietnamese operations had a particularly good year as the tight balance sheet for robusta allowed the team to lock in excellent margins. We continue to benefit from our sustainability and premiumisation programmes; for example, in March we renewed our long-term exclusive supply agreement with Starbucks for sustainable coffee sourced from a co-operative of growers in the Nariño region of Colombia.

Despite the challenging coffee markets that continued through the financial year, the Coffee Division still delivered EBITDA of $69.7 million and Profit before Tax of $15.3 million. Improvements in stock management have continued, allowing Volcafe to improve the cash conversion cycle, and the team have been able to leverage both existing and newly implemented bilateral facilities to maximise returns. This has allowed the team to increase contracted sales tonnage from 853,799 metric tonnes in FY22 to 885,588 metric tonnes in the current financial year. Shipped tonnages of 536,926 metric tonnes were up 12% on last year's 478,829 metric tonnes.

Sustainability

Volcafe has continued working towards a thriving, sustainable coffee business for all. With the objective of maximising responsibly sourced coffees, Volcafe launched its Volcafe Responsible Sourcing programme ("Volcafe RS") in March 2023, alongside Volcafe Verified and Volcafe Excellence. Volcafe RS combines rigorous practices that are comprehensively field-tested through Volcafe Way, the division's unique in-house farmer support programme and creates a harmonised approach for sourcing coffee responsibly and assesses more than 50 Sustainability Criteria which cover a range of economic, environmental and social topics. Volcafe Verified and Volcafe Excellence do not only adhere to global sustainability standards, but also promote farmers' prosperity, social well-being, and the preservation of our environment. Volcafe Verified and Volcafe Excellence, two levels of practice established by the Volcafe RS Standard, have been recognised by the Global Coffee Platform ("GCP") as Coffee Sustainability Reference Code ("Coffee SR Code") equivalent, 2nd party assurance.

As strategic partnerships remain essential, Volcafe has renewed its membership of the Cool Farm Tool Alliance to support a more precise assessment of the Scope 3 carbon emissions (carbon emissions at the farm level). Looking ahead at the upcoming European Union Deforestation Regulation ("EUDR"), Volcafe has improved its internal traceability systems and started looking into further partnerships on first-mile traceability.

Several projects in producing countries have resumed following the pandemic. In Guatemala, Volcafe is partnering with the Association of Coffee Exporters ("ADEC") to operate a mobile clinic which is moved around the country to provide medical assistance in coffee communities that need it most. In Honduras, Volcafe has embarked on its our own large-scale reforestation project and will distribute at least 1 million saplings to coffee producers in the next five years for them to plant on their land and help reduce carbon emissions.

Outlook

The outlook for FY24 remains challenging due to an inverted and volatile coffee market, as well as weak demand dynamics. We are confident, however, that trading opportunities will manifest, and we are optimistic that we will be able to capture some good opportunities during the year.

In the current high inflation and high interest rate environment we will be very focused on rotational cycles and on capturing high margin opportunities. Our industry leading research team will continue to support us and we are confident that this will allow the team to capture market trends in price and coffee differentials as they arise. In addition to margin growth we will also focus on developing volume growth by leveraging the use of local bilateral facilities. We expect that EUDR will create operational and logistical challenges, and we are working ahead of time to mitigate any risks through the due diligence of our supply chains.


VOLCAFE
VOLCAFE

Molasses & Liquid Products Division Report

"The market offered exceptional opportunities for our MLP businesses, driving margin structures and trading opportunities that have been beneficial to MLP's overall business. This allowed MLP to deliver exceptional results in the FY23 financial period, outperforming the already strong performance in the previous financial year."

Arie Van Der Spek
Managing Director, Molasses & Liquid Products

FOB Houston Molasses prices	Low	High
FY23 (US$/tonne)	232.8	242.5

Performance measures	2023 $m	2022 $m
Tonnages (million metric tonnes)	**5.9**	6.1
Revenue	**1,946.2**	1,708.7
Gross Profit (Trading) Margin	**10.1%**	8.9%
EBITDA[4]	**141.1**	99.1
Profit before Tax	**85.8**	45.4
Headcount (number)	**567**	541
Net assets	**180.4**	126.5

Overview

Our **Molasses and Liquid Products** ("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. It 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 large storage capabilities allowing effective and efficient delivery of products to global clients.

Our global operating platform was critical in creating solutions for external customers who found themselves without physical product cover due to supply chain challenges associated with the Covid-19 pandemic and the war in Ukraine.

Performance Overview

The market offered exceptional opportunities for our MLP businesses, driving margin structures and trading opportunities that have been beneficial to MLP's overall business. This allowed MLP to deliver exceptional results in FY23, outperforming the already strong performance in the previous financial year.

4 Refer to page 25 for definition of EBITDA and reconciliation to the closest equivalent measure which is Profit before Tax.

Overall molasses and liquid feed prices remain at high levels, and we have been able to retain market share despite seeing some price reductions in competing dry feed products.

Our European and Far East ("EFE") businesses have had a particularly strong year, with all product lines significantly ahead of budget and prior year. In our EFE Distribution business, although volumes were broadly consistent with the prior year, improved overall margin structures drove outperformance versus prior year. The EFE Molasses Trading book has had an exceptional year driven by good strategic position management. We have also been able to take advantage of significant volatility in the liquid freight market in Europe and the Far East.

> **"MLP's North American businesses have also traded above last year's levels. US Molasses trading has been a strong performer this year."**

Our Beet Pulp Pellets ("BPP") business, had another strong year as we continued to benefit from the volatility caused in the market by the Russian/Ukraine conflict. We have traded less volumes this year but have stretched margin structures by well managed sourcing and logistics. Our BPP team have continued to retain good market share and build our customer base.

MLP's North American businesses have also traded above last year's levels. US Molasses Trading has been a strong performer this year. Despite some loss of US domestic market share due to competitive pressures and lower dry feed pricing, the business has had an exceptional trading year. It has also been able to lock in improved margin structures from the volatility in freight seen in the region. Westway Feed Products, our North American animal feeds distribution business, had a good start to the year but has struggled with lower volumes in the second half, with the US dairy sector under pressure from oversupply and reduced market pricing. Continued droughts in certain areas have also led to cattle head reduction and consolidations. Corn and wheat price reductions year-on-year have also added to volume pressures and led to reductions in ration inclusion as molasses and liquid feed alternatives have remained at higher levels.

Fish oil trading has also seen strong performance this year, as we have been able to build positions and take advantage of increasing world pricing in the fish oil market. The main export fishery, Peru, cancelled its main fishing season in the April to July period due to immature and undersized biomass. This significantly increased pricing and enabled MLP to increase margin. Although we had lower Peruvian volumes we had a successful sourcing season in Mexico and Chile, supporting volumes and performance in the business.

For the year ended 30 September 2023, MLP delivered record EBITDA of $141.1 million and record Profit before Tax of $85.8 million, compared to EBITDA of $99.1 million and Profit before Tax of $45.4 million in FY22, despite a slight drop in overall volumes for the business to 5.9 million metric tonnes.

Sustainability

The MLP business is a pioneer in creating sustainable and nutritional feed products from natural by-products. MLP utilises these by-products and co-products in a way that adds value, reduces waste and contributes to a greener planet.

During FY23, the sustainability ambassador teams within the different MLP regional Divisions continued to work with the global sustainability director to develop the MLP sustainability strategy. This was originally launched in FY21 and it focuses on four pillars:

- **Responsible Sourcing:** We source all products and ingredients responsibly to provide supply chain assurance and reduce sourcing risk.
- **Environmental Stewardship:** We work to continuously improve the environmental impact of our products and businesses.
- **Improving Livelihoods:** We work with partners and suppliers to improve the quality of life for communities in which we do business and people in our value chains through charitable giving, employee volunteering and executing targeted impact projects.
- **Governance:** We have policies and procedures in place to ensure compliance to applicable regulations. We aim to increase satisfaction of our employees through improved company policies and clear communications.

During FY23, MLP reduced water usage by 9%. MLP continued to provide supply chain assurance by obtaining certifications throughout the supply chain such as Bonsucro, MarinTrust, ISO14001, GMP+ and many others. Notably during this period, the Belle Pulses facility received a perfect score of 100% on their external quality and food safety audit: Primus GFS, and our dry feed storage and blending operation in Acatlan, Mexico received a Silver rating with EcoVadis (a leading sustainability rating organisation).

As part of our Improving Livelihoods initiatives, MLP's MAS programme (meaning 'more' in Spanish) implemented three impact projects in FY23.

- In Guatemala, we sponsored a programme to train women in tractor operation and assist with job placement post-graduation. This was the first MAS project specifically focused on gender diversity and was a request from the community to combat the loss of manual labour jobs as this region moves towards mechanised cane harvesting.
- In the Dominican Republic, we sponsored our first project to address food insecurity. This project created community gardens and taught healthy food habits to improve maternal and child nutrition through community-centred healthy food models.
- In El Salvador, we performed the second phase of a biodiversity project in six sugarcane growing communities, following the reforestation activities and climate adaptation plans that were developed in FY22. This year the focus was on improving water security through installation of rainwater collection systems for domestic and agricultural use, reuse of grey water through installation of home filtering systems, improvement of water quality for human consumption, and disaster risk mitigation which included improving draining and civil works to prevent flooding.

Outlook

In FY24 MLP will continue to focus on improving and refining its portfolio of products, leveraging its existing network and infrastructure to deliver to customers around the world.

Sugar Division Report

"ED&F Man Sugar delivered an exceptional performance in the FY23, driven by increased volatility in sugar markets, continuing supply chain dislocations and weather disturbances which impacted pricing. Sugar has maintained its market share in its key destination markets across Africa, the Mediterranean and Middle East against a backdrop of continued global uncertainty."

Alexandre Bauche
Managing Director, Sugar

NY11 raw sugar (US cents/lb)	Low	High
FY23	17.58	27.44

Performance measures	2023 $m	2022 $m
Tonnages (million metric tonnes)	**5.5**	5.6
Revenue	**3,386.3**	3,061.8
Gross Profit (Trading) Margin	**4.7%**	4.4%
EBITDA[5]	**101.5**	76.6
Profit before Tax	**82.2**	74.5
Headcount (number)	**268**	276
Net assets	**116.0**	119.1

Overview

ED&F Man **Sugar** is a leading international merchant of sugar and value-add sugar products including organic sugars, sweeteners and blends, liquified sugar and alcohol products. With a long history of trading sugar and operating across the food supply chain, the business also utilises its in-house research and risk management expertise to manage global market volatility and economic cycles to the benefit of its customers and the sugar business.

Sugar is a global business, with combined white and raw sugar deliveries of 5.5 million metric tonnes across 110 destination countries in FY23.

Performance Overview

ED&F Man Sugar delivered an exceptional performance in the FY23, driven by increased volatility in sugar markets, continuing supply chain dislocations and weather disturbances which impacted pricing.

Sugar has maintained its market share in its key destination markets across Africa, the Mediterranean and Middle East against a backdrop of continued global uncertainty, political instability and limited USD liquidity (availability of USD for developing countries).

5 Refer to page 25 for definition of EBITDA and reconciliation to the closest equivalent measure which is Profit before Tax.

While many commodity prices and freight rates have fallen as the post-Covid world has re-opened, sugar prices have been one of the strongest performers for the past year, and this year we have seen some of the highest prices for 12 years. The key driver for these price rises has been tightening supply and demand fundamentals, particularly driven by changing weather patterns impacting crops.

On the supply side, low Indian and Thai exports have created a deficit market across the globe after a number of years of surpluses. To fill this gap, supply prices have risen to enable Brazil to switch from ethanol production to sugar exports. In June, the World Meteorological Organisation declared that El Niño conditions had developed in the tropical Pacific for the first time in seven years, this tends to impact weather patterns in some of the key sugar growing regions of Brazil, India and Thailand. These weather patterns contributed to dry weather in Thailand and insufficient rainfall in key producing states in India, which has impacted the growing conditions for next season's crop, leading to forecast yield reductions. To protect its domestic food supply and prevent food inflation, the Indian government has halted exports for the first time in seven years.

> **"Sugar has maintained its market share its key destination markets against a backdrop of continued global uncertainty."**

This supply shortfall has driven high levels of price volatility which Sugar has been able to capture in its arbitrage trading books. In the merchant trading business, the Group's stable capital structure has enabled Sugar to take a more forward looking view, which focused on retaining a core world market footprint in raw and white sugar, concentrating on margin growth and maintaining and developing long-lasting client relationships. As a team, Sugar remains committed to providing customers with the right product at the right time and offering customers flexibility to suit their needs.

In the year to 30 September 2023, Sugar generated EBITDA of $101.5 million, and profit before tax of $82.2 million, a record performance and a further improvement on the previous year. The Sugar Division shipped similar volumes to the previous year, with 5.5 million metric tonnes of sugar delivered, down slightly from 5.6 million metric tonnes in FY22.

Sustainability

Sugar is a trading business, and as a result its ESG activities are focused on working with its partners to try to help them improve their approach to ESG. The Sugar Sustainability strategy is focused upon four key pillars:

- **Responsible Sourcing:** We commit to responsible sourcing and we will work to raise standards with all partners.
- **Environmental Stewardship:** We will work to continuously improve the environmental impact of our products and businesses.
- **Improving Livelihoods:** We will work with partners to ensure stakeholders are treated fairly and develop focused projects to support and improve the lives of identified stakeholders.
- **Governance:** We will put policies and procedures in place to ensure compliance to all regulations. We aim to increase satisfaction of our employees through improved company policies and clear communication.

Part of the strategy has been focused on helping stakeholders within the sugar supply chain. In India we engaged in a project with cooperative sugar mills, whereby school clothing, student packs and school equipment was donated to local schools and the families of migrant sugar cane workers. As a result, whilst migrant labour families moved, their children still had access and an ability to attend school and learn.

The development, promotion and prioritisation of sustainably certified sugars has allowed Sugar to strengthen relationships with producers at origin and clients at destination. Certified sugars, particularly Bonsucro and Fairtrade, ensure that the sugar production process is checked and audited, promoting responsible and fair standards. Ensuring such products exist and communicating their importance allows us to drive up standards and extract higher values for producers, whilst ensuring compliant product meeting ESG requirements of clients at destination. Such activity complements wider relationships with producers and clients, meaning Sugar brings a broader range of services, supporting our commercial relationships, volumes traded and margins achieved. Volumes of certified sugars sold in FY23 have exceeded the FY22 total.

Sugar have partnered with Tree-Nation, to promote the planting of trees in reforestation projects, which brings with it social and environmental impacts. We recognise these important social and environmental impacts and are working on projects specifically located in areas where our suppliers and clients are based. Involvement includes the 'gifting' of trees to partners for them to plant in our forest, thereby also raising the awareness of the needs to reforest and the benefits it brings.

ED&F Man Espana has achieved a Gold rating with EcoVadis (a leading business sustainability rating organisation), putting it in the top 5% of the industry. Efforts are underway to get other entities of Sugar accredited by EcoVadis, as part of a central drive to continue to raise ESG standards.

Outlook

We anticipate the upcoming year will continue to be volatile due to factors such as high inflation, potential global recession, high interest rates, and USD scarcity in certain markets. These conditions may result in increased protectionism and uncertainty regarding sugar, ethanol and fuel export policies, impacting trade flows.

Our business priority remains the effective management of risk, alongside delivering sugar with best-in-class execution and providing added value to our customers. We are steadfast in our commitment to adapt to evolving market conditions and leverage profitable trading opportunities.

While our business typically performs very well in volatile environments, for the year ahead, we are taking a conservative approach as we anticipate a return to more typical performance following the exceptional results achieved in FY22 and FY23.

Group Chief Financial Officer's Report

"Despite a high interest rate and high inflation environment, as well as market volatility driven by supply chain disruption and unusual El Niño weather patterns, we have seen record margins and profitability across the business as a whole. Higher prices and a focus on higher margin opportunities has meant a small reduction in shipped volumes, from nearly 12.2 million MT in FY22 to over 11.9 million MT in FY23."

Phillip Murnane
Group Chief Financial Officer

The Commodities Group delivered record profitability in FY23. The businesses have taken advantages of market opportunities, particularly ongoing volatility, to deliver EBITDA (see Alternative Performance Measures paragraph below) of $314.3 million (2022: $231.4 million) and Profit before Tax of $166.9 million (2022: $115.6 million).

Performance Measurements

The Commodities Group's key performance measures are Revenue, EBITDA, PBT and Tonnage.

Performance measures	2023 $m	2022 $m
Revenue	**7,371.6**	6,909.6
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	**314.3**	231.4
Profit before Tax ("PBT")	**166.9**	115.6
Delivered Tonnage (million metric tonnes)	**11.9**	12.2

The businesses have continued to build from what was a record year in FY22. MLP and Sugar both outperformed expectations for the year, delivering record results. Coffee had a stronger second half, recovering from very difficult trading conditions in the first half of the financial year to exceed expectations. Despite a high interest rate and high inflation environment, as well as market volatility driven by supply chain disruption and unusual El Niño weather patterns, we have seen record margins and profitability across the business as a whole. Higher prices and a focus on higher margin opportunities has meant a small reduction in shipped volumes, from nearly 12.2 million metric tonnes in FY22 to over 11.9 million metric tonnes in FY23.

Volatile prices in both the core commodities businesses and the freight markets have presented some excellent trading opportunities that the businesses have been able to capture. For example, the raw sugar spot price has traded in a range of 17.58 c/lb to 27.44 c/lb, robusta coffee prices have moved from a low of $1,792/tonne to a high of $2,930/tonne and fish oil started the year at under

$4,000/tonne and is now still trading above $6,500/tonne. Despite these high prices the businesses have managed liquidity well and have reduced outstanding debt during the financial year by $43.9 million. The Commodities Group reported Coffee EBITDA of $69.7 million (2022: $52.5 million), MLP EBITDA of $141.1 million (2022: $99.1 million) and Sugar EBITDA of $101.5 million (2022: $76.6 million).

Strong trading performance combined with continued control of operating expenses delivered PBT from Coffee of $15.3 million (2022: $9.3 million), MLP of $85.8 million (2022: $45.4 million) and Sugar of $82.2 million (2022: $74.5 million).

Alternative Performance Measures

The Directors of the Commodities Group have presented the performance measures Adjusted Operating Profit and EBITDA as they monitor these at a consolidated level and these measures are relevant to an understanding of the Commodities Group's financial performance. The measures, as defined, are reported on a monthly basis to key stakeholders of the Commodities Group. Refer to Note 8 for the definition of Adjusted Operating Profit and reconciliation to the closest equivalent measure which is Operating Profit.

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:

	2023 $m	2022 $m
Profit from continuing operations	**106.5**	89.7
Income tax expense	**60.4**	25.9
Profit before Tax	**166.9**	115.6
Adjustments for:		
- Net finance costs	**86.5**	57.9
- Lease interest	**2.4**	2.0
- Depreciation	**40.3**	37.3
- Amortisation	**1.2**	1.1
- Impairment of fixed assets	**1.6**	2.3
- (Impairment reversal) / impairment of financial assets	**(3.0)**	1.0
- Gain on disposal of property, plant and equipment	**(0.7)**	(1.4)
- Gain on disposal of investments	**(0.1)**	-
- Employee share option expense	**0.1**	0.5
- Interest and other statutory recharges	**19.1**	15.1
EBITDA	**314.3**	231.4

Taxes

The Commodities Group has incurred a charge for corporate income taxes of $60.4 million in FY23, compared with $25.9 million in FY22. The increase in the tax charge is due to the increased tax rate in the UK coupled with increased profits in some of the origin entities that source the commodities in which the Group trades. 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. The effective tax rate in countries where we make profits is 32.4% (2022: 22.9%).

Net Profit

Net profits after tax were $106.5 million compared to $89.7 million in the prior year. This increase was largely driven by the exceptional performance in MLP and Sugar, and partly offset by a higher effective tax rate.

Balance Sheet

Non-current assets were $328.8 million (2022: $314.7 million), $14.1 million higher than last year. This was largely due to an increase in derivative financial assets of $16.3 million, offset by minor movements in other areas of the balance sheet. This includes $5.5 million related to the Group's investment in its associate Envasadora de Azúcar Inc classified as an asset held for sale. On 27 September 2023, ED&F Man Holdings BV which holds the 35% minority shareholding passed a board resolution confirming agreement to the disposal.

Current assets and current liabilities increased by $93.9 million and $14.9 million respectively.

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 20 in the Consolidated Financial Statements describes the Group's liquidity position and borrowing facilities in full. The table below sets out a summary:

	2023 $m	2022 $m
Undrawn facilities (including local and bilateral)	**794.4**	664.0
Cash and cash equivalents*	**175.7**	234.6
Total undrawn facilities and cash	**970.1**	898.6

*Cash and cash equivalents includes restricted cash and cash equivalents of $30.2 million (2022: $23.4 million)

At 30 September 2023, the Commodities Group has committed and uncommitted secured facilities of $1,003.6 million (2022: $870.4 million), which include medium-term multicurrency syndicated facilities with maturities in excess of 12 months. The Commodities Group has committed and uncommitted unsecured facilities of $675.9 million (2022: $620.0 million). Debt drawn under these secured and unsecured facilities at 30 September 2023 was $887.1 million (2022: $826.3 million), excluding debt transaction costs of $13.1 million (2022: $22.0 million). During the year, the Commodities Group incurred finance expenses of $88.9 million (2022: $59.9 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 2023, no interest rate swaps were in place. For the year ended 30 September 2023, the net financing costs of $88.9 million (2022: $59.9 million) include $3.6 million of interest income (2022: $2.0 million) and $2.4 million of lease interest expense (2022: $2.0 million).

	2023 $m	2022 $m
Interest bearing loans and borrowings (excluding debt transaction costs)	**867.7**	822.6
Lease liabilities	**79.6**	81.0
Total interest-bearing debt	**947.3**	903.6

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 20.14)

Cash Flow

Net cash inflow from operating activities was $19.1 million, $234.5 million higher than prior year. The transfer to the Commodities Group of Man Treasury (see Note 2.2), removal of Legacy Debt and settlement of other intercompany receivable balances to the Commodities Group resulted in $433.9 million net movement in working capital. Excluding this, the net cash inflow from prior year would have been $218.5 million inflow, which is $199.4 million higher than the current year's net cash inflow from operating activities. The current year's operating working capital increased by $221.8 million (outflow) during the year reflecting an investment in working capital to fund physical trade flows and higher balance sheet usage due to higher commodities prices in FY23.

Tax paid in the year amounted to $54.1 million (2022: $41.0 million).

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

Phillip Murnane
Group Chief Financial Officer

26 January 2024

Environmental, Social and Governance

Our New Sustainability Strategy

This year we deepened our commitment to sustainability and Environmental, Social and Governance ("ESG") on all fronts and across our supply chain. In January 2023, our Sustainability Strategy was enhanced to focus on three key areas that are central to our businesses:

- Environmental Stewardship
- Improving Lives
- Responsible Sourcing

Our new strategy enables us to act decisively to limit the impact of our operations on the environment and supports responsible growth by providing supply chain assurance and reducing sourcing risks. Through our 'Improving Lives' pillar, it enshrines a decent quality of life for our employees and people in our value chain by embedding ethical principles throughout our businesses.

These principles are documented in our Standards of Business Conduct and reflected in our Supplier Code of Conduct: they are the foundation of our behaviour and decision making. Our corporate culture and values are centred on the commitment that everyone at ED&F Man Commodities makes to behave ethically and conduct business responsibly.

Key Areas	Metrics	Rationale	UN SDGs
Environmental Stewardship	Develop climate action plan with decarbonisation goal Commit to Deforestation and Conversion Free (DCF) Supply Chains	Improve the environmental impact of our products and businesses	6: Clean Water & Sanitation 13: Climate Action 15: Life on Land
Improving Lives	Implement community projects Improve Group Equity, Diversity & Inclusion Zero workplace accidents	Improve quality of life for our employees and people in our value chain through improved company polices and impact projects	5: Gender Equality 10: Reduced Inequalities
Responsible Sourcing	Increase % responsibly sourced products	Provide supply chain assurance and reduce sourcing risks	12: Responsible Consumption & Production 17: Partnerships for the Goals

As part of this new strategy, we set group-level ESG targets and metrics with cross-commodity action plans to achieve meaningful, measurable results. Over the course of the year, we implemented a wide range of initiatives and practices in line with the UN Sustainability Development Goals ("SDG"s); across the Coffee, MLP and Sugar divisions that improve the sustainability of our products, reduce our environmental footprint, differentiate our services and support the development of deep and lasting customer relationships.

Notable initiatives this year include: a reforestation programme in Honduras (led by Coffee) where 1 million saplings will be distributed to coffee producers for planting on their land; the ED&F Man Forest project (initiated by Sugar) in association with Tree-Nation; and the MLP division's MAS programme continues to deliver impact in the sugarcane communities in which it operates by investing a portion of profits in local health, education and environmental restoration projects.

In March 2023, we appointed Jordy Hof as our new Climate Manager, with a remit to develop a comprehensive Climate Action Plan ("CAP"); one of the KPIs of the Environmental Stewardship pillar. We now have cross–commodity teams working on all the commitments set out in our new sustainability strategy. In August, we launched the new Climate Action Plan and roadmap for implementation following the guidelines set out by the Task Force on Climate-Related Financial Disclosures ("TCFD"). This was the first year the Group has reported against the TCFD's four thematic areas: governance, strategy, risk management, metrics and targets, and we are committed to closing any gaps in reporting through our Climate Action Plan.

The main points of our Climate Action Plan are summarised below and in our detailed TCFD Disclosure on page 40.

Climate Action Plan – Summary of Aims and Objectives:

1. To further describe the climate-related risks and opportunities identified in the Materiality Assessment;
2. To determine a control strategy (measurable mitigating strategy) for each climate-related risk and opportunity (where applicable);
3. To integrate climate-related issues into our internal risk management standards; and
4. To implement internal audit review of controls.

One of the first steps in the development of our Climate Action Plan was to conduct a 'Double Materiality Assessment', which we did with the consultancy firm Keramida in June and July 2023, the key findings of which are set out below.

Double Materiality Assessment

This assessment involved surveying a diverse array of internal and external stakeholders on our company's ESG performance as well as analyse external factors that influence our company. The results highlight which areas are most material in our business, both now and in the future. Additionally, stakeholders were asked to rank climate-related risks and opportunities.

The assessment provides direction for the priorities in our Sustainability Strategy and within the Climate Action Plan, taking into consideration the particular circumstances of each division.

Key takeaways include:

- Very high level of stakeholder engagement (high response rate)
- Our internal and external stakeholders agreed on the priority of material issues
- MLP and Sugar division responses were aligned closely; while Coffee and Group were aligned on most important topics. Notably, Coffee and Group saw deforestation as a material topic due to recent pressure on the coffee industry from the new European Union Deforestation Regulation ("EUDR")

As a next step after performing the double Materiality Assessment, we are in the process of performing Climate Scenario Analyses ("CSA") within each division to address the identified climate related risks and opportunities. Below is a summary of key climate related risks and opportunities that were identified from the Materiality Assessment and a brief overview of how these can impact the Commodities Group.

These are preliminary findings and may undergo changes as we complete the CSAs and as we continue the integration and evaluations of risks and opportunities identified.

Climate-Related Risks

Risk Identified	Type	Risk Category	Potential Impact	Current Approach
Increased Cost of Raw Materials	Transitional	Strategic Risk, Market Risk, Operational Risk	Increased cost to customers or reduced profit margin Customers could choose alternative ingredients Less capital available for trading	Diverse portfolio of products offered Research and business development teams in place to investigate alternative sources of supplies
Increased severity of extreme weather events	Physical	Market Risk, Operational Risk, Asset Risk, People Risk, Health Safety and Wellbeing Risk	Supply chain disruption including changes to logistical routes Asset destruction (physical structure viability), employee availability	Business continuity plans and business insurance in place Asset light operations Diverse portfolio and geographical spread of products offered
Changes in precipitation patterns and extreme variability in weather patterns	Physical	Market Risk, Operational Risk	Disruption of established supply chains and changes to logistical routes Reduced availability of resources in certain parts of the world Changes in crop production seasons impacting the financial planning	Utilisation of in-depth market knowledge to anticipate and remediate the impact on supply chains Geographical diversification of our suppliers to minimise regional impacts

Note that following our internal Operational Risk Management Policy, we have excluded sharing additional information on low and medium-ranked risks.

Climate-Related Opportunities

Opportunity Identified	Type	Risk Category	Potential Impact	Current Approach
Resource substitutes/ diversification	Transitional	Market opportunity Strategic opportunity	Expand or change current portfolio of traded products to take advantage of market opportunities or lesser availability of current commodities Focus on value-added products and services	Research and business development teams in place to investigate new opportunities
Reduced water usage and consumption	Physical	Strategic opportunity Reputational opportunity Operational opportunity	Enhanced brand reputation and competitive advantage Better preparedness for sustainability regulatory changes Reduction of operational costs	Part of current Environment strategy
Participation in renewable energy programmes and adoption of energy-efficiency measures; Use of lower emissions sources of energy	Transitional	Strategic opportunity Reputational opportunity Operational opportunity	Enhanced brand reputation and competitive advantage Reduction of Scope 1 and 2 carbon footprint Reduction of operational costs Better preparedness for sustainability regulatory changes	Decarbonisation and energy transition is part of the Climate Action Plan (under development)

Energy Use and Carbon Emissions

In FY23, 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). In FY23 the Commodities Group's annual conventional energy use was 64,037,385 KWh, a reduction of 12% compared to the previous year, the result of a 18% reduction in the use of grey electricity and a reduction of 11% in fossil fuel use. Since FY19 this amounts to a reduction of 60% in grey electricity and a drop in fossil energy of 30%.

Energy use and carbon emissions for the Commodities Group for FY23 are summarised below:

	FY19	FY20	FY21	FY22	FY23
Grey electricity (kWh)	20,529,298	19,619,635	17,769,411	15,641,614	12,844,533
Fossil fuels (kWh)	66,319,880	67,359,412	67,352,989	57,260,656	51,192,852
Total (kWh)	**86,849,178**	**86,979,047**	**85,122,400**	**72,902,270**	**64,037,385**

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

		FY23	
	Unit	Commodities Group	UK Only
Fossil Energy use (includes purchased electricity, gas, fuels, oil, coal, etc.)	kWh	64,037,385	1,455,779
Associated Scope 1 emissions	Mt CO_2	9,385,897	319,577
Associated Scope 2 emissions	Mt CO_2	5,844,292	147,365
Intensity ratio 1 - carbon emissions per mt processed	kg CO_2/mt	5.11	1.47

Methodology

At the same time as achieving these reductions, we increased the stringency of our emissions reporting as the Group 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 (CH_4) in our carbon accounting.

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 (EU level, International Energy Agency, Defra Voluntary 2017 Reporting Guidelines) 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 Czech Republic. For FY24 and onwards 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.

In the current year and going forward our business operations and sustainability disclosures will follow TCFD guidelines (see TCFD Disclosures on page 40).

Energy Efficiency Action Taken

Fossil fuel energy usage across the Commodities Group totalled 64,037,385 kilowatt-hours, a reduction of 12% compared to prior year (72,902,270), the result of a 18% reduction in the use of grey electricity and a reduction of 11% in fossil fuel use.

In Sugar, the Man Ingredients refinery in the Czech Republic switched from conventional grey electricity to a new contract with 100% green electricity supply, eliminating all Scope 2 emissions from this site. This delivered a 52% reduction in fossil energy use, and a 57% reduction in carbon emissions.

Coffee processed 36% more green coffee through their mills which resulted in 21% more energy used. The carbon emissions only increased by 3% as a result of using more biomass (coffee husks, wood chips) as fuel than using fossil fuels. In combination with the higher volumes processed the emissions per MT for Coffee decreased by 23% from 12.4 kgCO_2eq/MT to 9.5. The mills in Uganda and other coffee processing locations are now run using hydro-electricity.

In MLP usage has remained stable compared to the prior year. Energy use and carbon emissions increased by 4% and 2% respectively. This was mainly caused by extreme cold weather in the US and Europe during winter.

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 11% and 13% respectively. The use of renewable energy and energy from biomass increased with 40% and 72% respectively. The energy intensity ratio - the number of kilowatt-hours used to process 1 metric tonne of product - increased by 22% from 38.4 kWh/MT to 46.9 kWh/MT. This is caused by the increased use of biomass as a fuel, and the energy generated from this renewable fuel.

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 13%, from 17,438,369 kg CO_2eq in the year ended 30 September 2022 to 15,230,188 kg CO_2eq in the year ended 30 September 2023.

The emission intensity ratio - the number of kilogrammes of CO_2eq emitted for processing 1 metric tonne of product - reduced by 10% from 5.7 to 5.1 kg CO_2eq and continues the declining trend over the last four years.

Water and Waste

The total water use for the Commodities Group as a whole decreased by 26%, from 559,938m^3 in the year ended 30 September 2022 to 412,714m^3 in the year ended 30 September 2023.

The water intensity ratio - total quantity of water used to process 1 metric tonne of product - also decreased by 24% from 178.3 to 135.2 litres.

The total waste generated on the operational sites has increased by 15% from 24,821 metric tonnes in the year ended 30 September 2022 to 28,546 metric tonnes in the year ended 30 September 2023, due to improvements in data collection methods.

Recording Progress, Measuring Results

At ED&F Man, we take a practical and measurable approach to sustainable practices. We recently published our Sustainability Report for FY22 on our website following the Global Reporting Initiative ("GRI"). Our FY23 sustainability progress and progress on our Climate Action Plan will be shared in more detail in our Sustainability Report published next year.

Equity, Diversity & Inclusion ("ED&I")

We want to create 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.

In raising awareness and providing opportunities to learn about equity, diversity and inclusion, we strive to build a workplace whereby 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.

> **We have a progressive ambition for ED&I, and we will be transparent and open with our colleagues about our intentions and how we will take responsibility for achieving them.**

In June 2023, we launched a unified, global ED&I Policy to ensure we are communicating effectively with everyone. We committed to taking practical action on preventing and addressing discrimination and harassment, communicating a clear policy, educating colleagues, and raising awareness of ED&I matters and providing safe channels for reporting.

June is traditionally Pride month, so we took the opportunity to raise awareness of the LGBTQ+ community through events, discussions and learning materials. We also celebrated International Women's Day in March with global events and have shone a spotlight on different faiths and beliefs and disabilities throughout the year.

The Commodities Group recognises that you can't have the best ideas without diversity of thought or listening to people. We therefore 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.

Our new ED&I action plan covers the following themes:

1. **Commitment:** We have an overarching commitment to preventing and addressing any instances of discrimination and harassment.
2. **Policy:** We will provide a clear policy statement that covers all colleagues.
3. **Education:** We will 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.
4. **Reporting Issues:** We will provide a safe and confidential avenue for colleagues to report issues (whistleblowing).

Stakeholder Management

The Commodities Group engages regularly with stakeholders at the Group and/or divisional level, depending on the issue. As noted previously, our most significant stakeholder engagement in FY23 was performing a double Materiality Assessment related to sustainability. Additionally, we are working with lenders to deliver a sustainability linked financing structure for the commodity trading businesses.

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 Diversity and inclusion Engagement and development Pay and reward Sustainability	Business execution capability Responsible sourcing, product safety and traceability Supply chain sustainability Impact on environment	Climate change mitigation and adaptation Natural resources and circular economy
How the businesses engage	Email Intranet Quarterly results updates Town halls Monthly leadership updates Training Surveys	Meetings Video, emails, letters or phone calls Site visits	Coaching and training programmes Community programmes and impact projects Climate-related risk assessments, monitoring and management (see TCFD statement on page 40)
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.

Stakeholder Group	Banks and Insurers	Shareholders	Governments and Authorities
Key issues	Business performance Sustainability, ESG Corporate governance	Business performance Sustainability	Regulatory changes including EU Deforestation Regulation Climate and environmental related matters Product safety Human Rights through the supply chain
How the businesses engage	Meetings Monthly performance reports Annual Report Sustainability Report	Website Annual General Meeting Quarterly results updates	Meetings Presentations
How the Board engages and/or is kept informed and takes matters into account	The Group Executive Director, Group CFO and other Senior Management meet with Lenders through the year. Additionally, the Chairman and the Non-Executive Directors (currently one independent and one vacancy to fill) of Holdings meet with core lenders (both virtually and in-person without management) on a regular basis throughout the year. At each Holdings Board meeting, the Directors receive a banking update, including any significant concerns raised. These are then considered at the Board meeting.	To maintain oversight of the performance of the Commodities Group, its Board has a majority of Directors who are also Directors of the Holdings Board. Further, the Holdings Annual General Meeting provides an opportunity for shareholders to submit questions to be addressed by the Holdings Board, including those relating to the Commodities Group. The Holdings Board also responds either directly or via its company secretarial team to queries raised throughout the course of the year.	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.

Corporate Governance

The Boards of Directors of Holdings and of the Commodities Group are committed to high standards of corporate governance and are accountable to stakeholders for the Commodities Group's performance in this area. The Commodities Group applies the principles of corporate governance which are driven by its constitution as an employee-owned company. These principles are applied proportionately to the Commodities Group's scale, size and complexity.

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 both by the Holdings Board and 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 Committees. 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 Statement

Introduction

The Commodities Group has reported against the Task Force on Climate-Related Financial Disclosures' ("TCFD") 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.

Though the Commodities Group operates with many small operational sites, the impact on climate change is mainly in other parts of the supply chain. The Commodities Group recognises that, as an intermediary, it has a role to play and is developing a Climate Action Plan that is suitable for its type of operations. More information can be found on www.edfman.com.

The Commodities Group has voluntarily complied with TCFD for the year ended 30 September 2023, and where there is a gap, has explained how it plans to mitigate such gaps. Gaps identified in the TCFD disclosure process are either being incorporated in ED&F Man's Climate Action Plan or addressed within the appropriate business function. For example, as of 2024, ED&F Man's climate-related risks will be further identified through updating the current risk management process and policy. Per the proposed new Risk Management Policy currently under internal evaluation, it is expected divisions, division heads, and function heads will evaluate the climate-related risks and determine if there are any emerging or additional risks that need to be added to the risk register.

Governance

a) The board's oversight of climate-related risks and opportunities

The Sustainability Committee Chair sits on the Board of Directors and has the responsibility of overseeing sustainability at ED&F Man. The Board ensures that the Group reports on its climate-related risks and opportunities transparently and accurately. This includes:

- overseeing the preparation of ESG disclosures sustainability reports, and other climate-related reporting.
- overseeing the Group's approach to managing climate-related risks and opportunities.
- reviewing and approving the Group's climate-related strategy, policies, and programmes.
- ensuring that climate-related risks and opportunities are integrated into the Group's overall corporate strategy.

The Board is invited and can choose to attend and participate in the Sustainability Committee as needed and will receive recommendations from this committee for determining appropriate actions for ESG-related risks to ED&F Man. All members of the Board are invited to the Sustainability Committee bi-annual meetings and are listed within the Committee Charter as optional attendants. A sustainability progress update is provided to the Board of Directors at each monthly and/or quarterly board meeting. In addition, a monthly update is provided to the Board that outlines key performance metrics for ED&F Man, including climate-related metrics.

b) Management's role in assessing and managing climate-related risks and opportunities

The Sustainability Committee and Head of Sustainability are tasked with the management of the 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.

At the Group level, the Head of Sustainability handles sustainability strategy, reporting, communication, and other related matters. The Head of Health Safety Environment Quality ("HSEQ") handles environmental data collection and management of emissions. Finally, the Climate Manager handles ED&F Man's Climate Action Plan and other climate-related plans and reductions. Every division is represented on the Sustainability Committee including a representative from all Group functions such as HR, Research, Finance, Risk, Compliance, HSEQ, Operations, Trading, and the Board of Directors. Each division has a Sustainability leader who is responsible for the development and implementation of the sustainability strategy at the division level. The Group Head of Risk will manage climate-related risks at the Group level with input from experts within each division. With the integration of climate into the ED&F Man risk management policy, the division Managing Directors plan to review climate-related risks and elevate risks for consideration to the Group Head of Risk.

The Sustainability Committee Charter outlines the individual responsibilities that committee members have agreed to pursue for assessing and monitoring sustainability at ED&F Man. Through the development of the Climate Action Plan, the governance procedures and policies will be updated, approved, and finalised.

Strategy

a) Climate-related risks and opportunities identified over the short, medium and long term

ED&F Man identifies short-term horizon as 1-2 years, medium term as 2-10 years, and long term as 10+ years. These timelines are not yet connected to internal business or risk management processes. However, processes are being developed and will be implemented as part of the larger Climate Action Plan that includes continual identification and reassessment of climate-related risks and opportunities, for example regular engagement with the Climate Scenario Analysis.

ED&F Man engaged with internal and external stakeholders during the period June to July 2023 to identify climate-related risks and opportunities through a Materiality Assessment. The Materiality Assessment and resulting report is applicable for ED&F Man Group, with additional information for each division (Coffee, MLP and Sugar).

The Materiality Assessment was designed with four separate sections to assess the materiality of climate-related risks, climate-related opportunities, ESG topics, and organisational readiness. ED&F Man received an above average response to the Materiality Assessment, with 93 internal subject matter experts ("SMEs") and 13 external stakeholder group representatives.

The following are the top five highest ranking climate-related risks to ED&F Man Group according to its stakeholders:

Transitional:	Physical:
1. Increased cost of raw materials	2. Changes to annual crop yields 3. Increased severity of extreme weather events such as cyclones, floods and drought 4. Changes in precipitation patterns and extreme variability in weather patterns 5. Climate change impacting the livelihood of small holder farmers

ED&F Man is analysing financial and strategic impact of the highest-ranking risks and opportunities on the business in two ways.

1. **Climate Scenario Analysis:** To investigate initiatives to mitigate risk or capture opportunity related to ED&F Man on a long-term horizon and consider the impact on ED&F Man's revenues, direct costs, indirect costs, capital expenditures, capital allocation, acquisitions and divestments, access to capital, assets and liabilities.
2. **Climate-Risk Risk Assessment:** Using risk-assessment approach to categorise, rank, and calibrate climate risk with that of the company-level risk ratings on a short- and medium-term horizon.

The Group's preliminary climate-risks assessment is presented on page 31-32.

b) The impact of climate-related risks and opportunities on business, strategy, and financial planning

Climate-related issues at the division level are currently considered on a project-to-project basis. If there are visible risks and opportunities to include climate mitigation or initiatives in the capital planning process, the Sustainability Committee will initiate that process. To address a risk or opportunity that arises, there is a reallocation of funds to implement, or it is included in next year's budget.

As part of the new Group sustainability strategy launched in January 2023, ED&F Man has an internal goal to develop a Climate Action Plan by the end of 2023, that will include the systematic inclusion of climate-related issues as an input into ED&F Man's financial planning process and strategic planning. To this end, ED&F Man have completed a Materiality Assessment and are in the process of completing a Climate Scenario Analysis and Climate Risk Assessment to understand impact over short, medium, and long-term time-horizons.

The Climate Scenario Analysis ("CSA") is following the TCFD process guidelines, and the purpose of the CSA is to put climate-related risks and opportunities in the context of plausible future scenarios. ED&F Man subject matter experts from each of the three business divisions are using three focal questions respectively to answer how climate-related physical and transitional risks plausibly affect the company in the short, medium and long-term.

The three focal questions were developed based on the output from the ED&F Man 2023 Materiality Assessment:

Volcafe (Coffee)	How could climate change and climate-related regulation and policy plausibly affect Volcafe, its customer and consumer behaviour? How should Volcafe prepare and react, and when?
ED&F Man Sugar	How could climate change impact sugar crops in India and Brazil; what do producers need to do to accommodate these changes, and when? How can impacts of sugar production on climate change be reduced?
ED&F Man Liquid Products	How could climate-related regulation impact ED&F Man Liquid Products? How should ED&F Man Liquid Products prepare and react, and when? (With a focus on customer behaviour and availability of resources)

The output of the CSA is a set of scenario narratives describing assumed cause-effect relationships among drivers linked to the focal questions above, how those drivers play out in the future (pathways and anticipated outcomes). The resulting narratives will assist ED&F Man to make strategic and risk management decisions under the complex and uncertain conditions of climate change and will be completed in the following financial year.

The Climate-Risk Risk Assessment is used to categorise, rank, and calibrate climate risk with that of the company-level risk ratings on a short- and medium-term horizon. Results from the ED&F Man preliminary climate-risks assessment is presented on page 31-32.

The findings are preliminary and may be subject to change as ED&F Man continue work to integrate climate-related risk with the overall risk management system, and the company's understanding of their risks are refined.

c) Resilience of The Group's strategy, taking into consideration different climate-related scenarios, including a 2 degrees Celsius or lower scenario

ED&F Man is currently developing a Climate Scenario Analysis to consider the impacts of physical and transitional risks and opportunities for ED&F Man associated with a 2°C or lower scenario. The outputs will be used to guide organisational strategy decisions - including how ED&F Man's current strategies will be impacted by climate-related risks and opportunities and how future strategies can be shaped to address potential climate-related risks and opportunities. The Commodities Group is using the following approach to develop a CSA:

1. One or more focal questions defining climate-related aspects relevant to each of the three divisions will be identified. A consistent set of time horizons will be applied for all three divisions.
2. Each division will identify, describe, rate and rank the driving forces associated with each focal question.
3. At least four scenarios per focal question will be developed by considering different combinations of the identified driving forces. The assumptions behind each scenario will be concretely defined and reported.
4. Outputs from the CSA will be incorporated into the next steps of the Climate Action Planning process.

The Commodities Group will assess the resilience of the Group's strategy based on the results from the Climate Scenario Analysis. As of the date of this report, we do not anticipate that significant changes will need to be made to the business model and strategy.

Risk Management

a) The Group's processes for identifying and assessing climate-related risks

The Sustainability Committee (a Board level committee) is responsible for the ongoing identification, monitoring and prioritisation of climate-related risks. This identification and assessment process includes conducting a Materiality Assessment with its internal and external stakeholders to identify ED&F Man's Environmental, Social and Governance ("ESG") topics and climate-related risks and opportunities every three years. In the first Materiality Assessment, ED&F Man considered a variety of existing and emerging factors that apply to our climate-related risks including strategic, financial, market, liquidity, reputation, legal, regulatory, operational, cyber security, people, health safety and well-being, and physical asset considerations. The Climate Scenario Analysis and Climate Risk Assessment will further assess which climate-related risks and opportunities are incorporated into the Group Risk Register.

ED&F Man intends to prioritise climate-related risks through the same criteria as it does other risks; a risk is designated as insignificant, minor, moderate, major, or catastrophic based on its financial impact to ED&F Man's resources.

ED&F Man intends to evaluate climate-related risks for all ED&F Man owned operations at a minimum. Referencing Science Based Targets initiative ("SBTi") principles, the ED&F Man Sustainability Committee intends to also evaluate if the reporting boundary and risk management boundary will expand to the Group's supply chain by mapping out the farm level supply base all the way to customer delivery. With 80% of carbon emissions for the products ED&F Man trades coming from farming, ED&F Man intends to define a boundary for climate-related risks that aligns with the influence of the Group; encouraging mitigation and adaption to climate-related risks across the supply chain. Though ED&F Man may not own any farms or manage production locations, we still see the potential for climate-related risk management to be integral to the success of all levels of our supply chain.

b) The Group's processes for managing climate-related risks

As traders, ED&F Man monitors risks in different countries to ensure supply and capitalise on emerging opportunities. This includes a Research team who monitor risks, including weather-related supply issues based on data and weather reports. ED&F Man is able to set the strategy for sourcing based on this information at the division level. Within each division, identified risk should be managed by policies, processes, and systems embedded in the day-to-day business activities.

Minimum Control Standards are applied to risks within ED&F Man. These standards are audited on an annual basis, and they support the management of ED&F Man operations. These controls should be designed to provide a reasonable assurance of efficient and effective operations; that information is reliable, timely and complete. For the integration of climate-related risks, these controls could contribute to the business contingency plans for disaster planning. Climate-related physical risks are viewed as the risks that cause a shift within the ED&F Man strategy and controls, and this is often driven by a physical climate-related risk or event that requires a mitigative or adaptive response. As a part of the ED&F Man Climate Action Plan, the company intends to:

1. Further describe the climate-related risks identified in the Materiality Assessment using the following categories: type of risk (transitional or physical), risk category (aligned with current Enterprise Risk Matrix), potential impact, degree of impact, likelihood, risk score, and current mitigation approach.

2. Determine a control strategy for each climate-related risk, which includes refining current mitigation approach to a measurable mitigating strategy.
3. Integrate climate-related risks into our internal risk management standards; and
4. Implement internal audit review of controls.

The climate-related risks identified and that will be further described are listed in full in the ED&F Man Materiality Assessment report and align with the risks listed in 2021-TCFD-Implementing_Guidance.pdf Tables A1.1 and A1.2 (pp. 75–76).

c) The processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

In 2024, ED&F Man's climate-related risks will be further identified as a result of an update to the current risk management process and policy. Per the proposed new risk management policy currently under internal evaluation, we expect divisions, division heads, and function heads to evaluate the climate-related risks and determine if there are any emerging or additional risks that need to be added to the risk register.

ED&F Man's Risk Management Policy will include climate change as a sub-category for risk evaluation, prioritisation and management. With its implementation climate-related risks would be fully integrated into ED&F Man's overall risk management process.

Metrics and Targets

a) The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes

ED&F Man is actively in the process of developing climate-related Key Performance Indicators ("KPI"s). Through the development of the Climate Action Plan, ED&F Man intends to identify the metrics and data points that will be used to continuously monitor progress on climate-related goals and targets.

ED&F Man measures the performance and progress of greenhouse gas emissions through a Monthly Carbon Report. CO_2 is assessed at every site and aggregated into an excel spreadsheet. This spreadsheet is continuously updated throughout the month by site management and is the best tool for evaluating carbon at the site level. These metrics are generated into a monthly report that is presented to the senior leadership team and Board of Directors. At the site and country level there is access to dashboards in the data collection sheets. In addition, ED&F Man has been collecting data on energy consumption, carbon emissions and waste and water since FY15. Climate-related metrics such as energy usage, water usage, or carbon emissions, are calculated for each location using monthly electricity, fuels, and water usage data. The information is then centrally tracked and monitored by the HSEQ team. The data is then consolidated per country, per division (Coffee, MLP, and Sugar), and for the Commodities Group as a whole.

b) Scope 1, Scope 2, and appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks

The greenhouse gas emissions for FY23 are presented on page 33. Previous reporting period data from FY22 has been restated to reflect the most accurate information including improvements or reductions. At this time, Scope 3 emissions accounting and the related risks is not at scale but will continue to be investigated. Within the development of the ED&F Man Climate Action Plan, Scope 3 emissions will be considered for KPI data collection and accounting.

The Commodities Group Greenhouse Gas Emissions inventory was conducted internally using the United Kingdom Sustainable Energy Authority of Ireland ("SEAI") emission factors. The energy and carbon reporting system will be aligned with the GHG Protocol starting in FY24.

The GHG Protocol is the world's most widely used greenhouse gas accounting standard. KPI's and conversion factors are reviewed annually and if applicable, will be adjusted and updated accordingly. The ED&F Man Climate Action Plan will set the ambition and structure to achieve further GHG emission reductions in the upcoming years. The ED&F Man Carbon Footprint and methodology is disclosed to Climate Disclosure Project ("CDP") annually.

c) The targets used by The Group to manage climate-related risks and opportunities and performance against targets

The ED&F Man Sustainability Strategy currently consists of two climate-related targets. The first climate-related target is to ensure that the ED&F Man supply chain is deforestation and conversion free. This has been a top priority for the Group and is reflected in the 2023 Materiality Assessment. The second climate-related target is to create a comprehensive Climate Action Plan in the following financial year which is aligned with the Materiality Assessment and Climate Scenario Analysis. This Climate Action Plan will serve as the foundation for developing KPIs and climate-related goals and targets in the future.

The Sustainability Committee assessed that any targets would be developed possibly using a 2018/2019 Fiscal Year baseline. These targets will incorporate the results of the Materiality Assessment and Climate Scenario Analysis to ensure that each target is well-informed and supported by best practice and stakeholder consideration. It is intended that these climate-related goals and targets will include a definitive timeline with the inclusion of interim targets when applicable. Internally, the ED&F Man team is investigating target-setting frameworks and methodologies to determine which will best serve the unique needs of ED&F Man. The sustainability plan and Climate Action Plan will be updated to include climate-related goals and targets upon the approval of the targets by the Board of Directors and Sustainability Committee.


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Directors' Report

The Directors of the Commodities Group present their report and audited financial statements for the year to 30 September 2023.

Principal Activities, Business Review and Future Developments

Founded in 1783, ED&F Man Commodities is a private agri-business operating in the sugar, coffee, molasses and animal feed markets.

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 20 and Note 25 to the Consolidated Financial Statements. Note 20 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 segments: our Coffee, MLP and Sugar Trading divisions. This is a portfolio of divisions that have a proven ability to deliver solid returns even during the Covid-19 pandemic and through the current Ukraine war crisis. With the restructure in FY22, the Group has created a new sustainable financial structure that has continued to be successful in FY23. 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 $166.9 million of profit before tax, compared to $115.6 million in the prior year.

Results

The audited financial statements of the Commodities Group are shown on pages 61 to 116.

The profit after taxation attributable to owners of the Commodities Group for the year to 30 September 2023 amounted to $106.5 million (2022: $89.7 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 based on their date of appointment or resignation were as follows:

Alexandre Bauche

Christopher Mahoney

Trishul Mandana

Jade Moore

Phillip Murnane

Arie van der Spek

Richard Milnes-James (appointed 29 March 2023)

Mark Nelson-Smith (resigned 29 March 2023)

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 Commodities Group has undertaken, including plausible downside scenarios, the Directors have a reasonable expectation that the Commodities Group has sufficient liquidity for the going concern assessment period to 31 March 2025. Accordingly, the Directors have adopted the going concern basis in preparing the Consolidated Financial Statements. See Note 2.3 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 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

26 January 2024

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

Jade Moore - Group Executive Director

Phillip Murnane - Group Chief Financial Officer

Trishul Mandana - Managing Director, Coffee

Arie van der Spek - Managing Director, MLP

Alexandre Bauche - Managing Director, Sugar

Mark Nelson-Smith - Non-Executive Director (resigned 29 March 2023)

Richard Milnes-James – Independent Non-Executive Director (appointed 29 March 2023)

Remuneration & Nomination Committee

The Remuneration & Nomination Committee of the Holdings Board 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 (appointed 29 March 2023)

Emma Griffin - Holdings Non-Executive Director (Chair until resignation on 29 September 2023)

Christopher Mahoney - Chairman

Mark Nelson-Smith - Non-Executive Director (resigned 29 March 2023)

Group Audit & Risk Committee ("GARC")

The GARC of the Holdings Board 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 (appointed 29 March 2023)

Mark Nelson-Smith – Non-Executive Director (Chair until resignation on 29 March 2023)

Emma Griffin – Holdings Non-Executive Director (resigned 29 September 2023)

Jade Moore - Group Executive Director (appointed 13 November 2023)

Holdings Banking Committee

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

Membership

Jade Moore - Group Executive Director (Chair)

Phillip Murnane - Group Chief Financial Officer

Marinus Moolenburgh – Global Head of Treasury

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 Holdings. 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

Ian Falshaw - Finance Director, MLP

Jade Moore - Group Executive Director

Phillip Murnane - Group Chief Financial Officer

Simon Niven - Group Chief Technology Officer

Johanna Sutcliff - Finance Director, Sugar

Melvin Wenger Weber - Finance Director, Coffee

Division Information Technology Managers

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 Holdings 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

David Parker - Head of Compliance, Commodities

Kona Haque - Head of Research

Liesbeth Kamphuis - Sustainability Director, Coffee

Daniel Polak - Head of Distribution and sustainability lead, Sugar

Jeremy Smith - Trade Finance Director (Treasury representative)

Eric Fichtl - Marketing and Communications representative

Jordy Hof - Climate Manager, Commodities

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:

- Group Executive Director
- 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 2023

Opinion

We have audited the financial statements of E D & F Man Commodities Limited (the "Group") for the year ended 30 September 2023 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 33, including a summary of significant accounting policies. 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 2023 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's ability to continue as a going concern for the period up to 31 March 2025.

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 116, 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 49, 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.

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 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 valuation of financial instruments, provisions and liabilities and 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 noncompliance 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 and forensic accountants (engaged by the external legal counsel) in respect of certain legal and regulatory matters and reviewed relevant documentation in order to evaluate the impact on the financial statements. We also engaged our internal specialists to help design and support our procedures to address the risk of non-compliance with such laws and regulations.

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

26 January 2024

Consolidated Financial Statements

For the year ended 30 September 2023

Consolidated Financial Statements

For the year ended 30 September 2023

Consolidated Statement of Profit or Loss

	Note	2023 $m	2022 $m
Continuing operations			
Revenue	7	**7,371.6**	6,909.6
Cost of sales		**(6,882.0)**	(6,501.8)
Gross profit		**489.6**	407.8
Administrative and selling expenses		**(238.1)**	(227.6)
Adjusted operating profit	8	**251.5**	180.2
Gain on disposal of property, plant and equipment	11	**0.7**	1.4
Impairment of fixed assets	15	**(1.6)**	(2.3)
Reversal / (impairment) of financial assets		**3.0**	(1.0)
Operating profit	8	**253.6**	**178.3**
Share of profit or loss of entities accounted for using the equity method	18	**1.8**	0.6
Gain on disposal of investments	11	**0.1**	-
Gain / (loss) on disposal of joint ventures	18	**0.3**	(3.4)
Profit before interest and tax		**255.8**	175.5
Finance expense, net	12	**(88.9)**	(59.9)
Profit before tax		**166.9**	115.6
Income tax expense	14	**(60.4)**	(25.9)
Profit for the year		**106.5**	89.7
Profit for the year attributable to:			
Owners of the Commodities Group		**106.0**	88.7
Non-controlling interest		**0.5**	1.0

The Notes on pages 68 to 116 form an integral part of these Financial Statements.

Consolidated Financial Statements (continued)

For the year ended 30 September 2023

Consolidated Statement of Comprehensive Income

	Note	2023 $m	2022 $m
Profit for the year from continuing operations after tax		**106.5**	89.7
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss) / gain recognised on defined benefit schemes	13	**(0.5)**	4.2
Deferred tax adjustments on defined benefit schemes		**0.1**	(0.6)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on retranslation of net assets of subsidiary undertakings		**3.7**	(10.5)
Revaluation of fair value reserve through other comprehensive gain / (loss)		**0.2**	(0.6)
Net (expense) / income on cash flow hedges – net of deferred tax		**(1.2)**	0.9
Total other comprehensive income / (loss) for the year net of tax		**2.3**	(6.6)
Total comprehensive income from continuing operations net of tax		**108.8**	83.1
Total comprehensive income is attributable to:			
Owners of the Commodities Group			
Total comprehensive income attributable to the owners of the Commodities Group		**108.3**	82.1
Non-controlling interest			
Total comprehensive income for the year attributable to non-controlling interests		**0.5**	1.0

The Notes on pages 68 to 116 form an integral part of these Financial Statements.

Consolidated Financial Statements (continued)

For the year ended 30 September 2023

Consolidated Statement of Financial Position

	Note	2023 $m	2022 $m
Non-current assets			
Property, plant and equipment	15	**160.9**	158.8
Right-of-use assets	16	**77.1**	80.0
Intangible assets	17	**16.8**	16.2
Investments in joint ventures and associates	18	**7.3**	10.5
Trade and other receivables	19	**24.4**	21.5
Derivative financial assets	20	**23.6**	7.3
Deferred tax assets	14	**18.7**	20.4
		328.8	314.7
Current assets			
Inventories	21	**855.7**	814.6
Trade and other receivables	19	**573.7**	529.8
Derivative financial assets	20	**269.0**	201.2
Restricted cash and cash equivalents*	22	**30.2**	23.4
Cash and cash equivalents - other*	22	**145.5**	211.2
		1,874.1	1,780.2
Assets classified as held for sale	18	**5.8**	-
		1,879.9	1,780.2
Total assets		**2,208.7**	2,094.9
Current liabilities			
Trade and other payables	23	**607.8**	574.6
Lease liabilities	24	**20.7**	19.2
Loans and overdrafts	25	**406.5**	405.9
Derivative financial liabilities	20	**93.0**	115.2
Provisions	26	**1.8**	-
		1,129.8	1,114.9
Net current assets		**750.1**	665.3

Consolidated Financial Statements (continued)

For the year ended 30 September 2023

Consolidated Statement of Financial Position (continued)

	Note	2023 $m	2022 $m
Non-current liabilities			
Trade and other payables	23	**1.4**	1.0
Lease liabilities	24	**58.9**	61.8
Loans and overdrafts	25	**448.1**	394.7
Derivative financial liabilities	20	**0.9**	4.4
Provisions	26	**23.2**	31.5
Employee benefit obligations	13	**2.5**	1.8
Deferred tax liabilities	14	**30.5**	38.8
		565.5	534.0
Net assets		**513.4**	446.0
Equity attributable to owners of the Commodities Group	2.2	**505.5**	438.6
Non-controlling interest		**7.9**	7.4
Total equity		**513.4**	446.0

**In 2022 these financial statement line items were called "Restricted cash" and "Cash and cash equivalents" respectively.*

The Notes on pages 68 to 116 form an integral part of these Financial Statements.

Approved by the Board of Directors and signed on its behalf on 26 January 2024 by:

Christopher Mahoney
Chairman

Phillip Murnane
Group Chief Financial Officer

Consolidated Financial Statements (continued)

For the year ended 30 September 2023

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 2021	376.5	-	47.2	(1.3)	0.5	422.9	6.6	429.5
Profit for the year	-	-	88.7	-	-	88.7	1.0	89.7
Other comprehensive income / (loss)	-	-	3.6	0.3	(10.5)	(6.6)	-	(6.6)
Total comprehensive income / (loss)	-	-	92.3	0.3	(10.5)	82.1	1.0	83.1
Movements relating to restructuring (Note 2.2)	-	213.0	(279.9)	-	-	(66.9)	-	(66.9)
Share based payments	-	-	0.5	-	-	0.5	-	0.5
Dividends	-	-	-	-	-	-	(0.2)	(0.2)
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 (Note 2.2)	**-**	**1.0**	**-**	**-**	**-**	**1.0**	**-**	**1.0**
Share based payments	**-**	**-**	**0.1**	**-**	**-**	**0.1**	**-**	**0.1**
Dividends	**-**	**-**	**(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**

The Notes on pages 68 to 116 form an integral part of these Financial Statements.

Consolidated Financial Statements (continued)

For the year ended 30 September 2023

Consolidated Statement of Cash Flows

	Note	2023 $m	2022 (restated)* $m
Profit before tax		**166.9**	115.6
Adjustments for:			
Depreciation of property, plant and equipment	15	**17.9**	16.8
Amortisation of right-of-use assets	16	**22.4**	20.5
Amortisation of intangible assets	17	**1.2**	1.1
Share of profit of an associate and a joint venture	18	**(1.8)**	(0.6)
Gain on disposal of joint ventures		**(0.3)**	-
(Gain) / Loss on disposal of investments		**(0.1)**	1.0
Reversal of provisions		**(3.0)**	-
Impairment of fixed assets		**1.6**	2.3
Romanian VAT recovery		**1.9**	-
Gain on disposal of property, plant and equipment		**(0.7)**	(1.4)
Finance costs	12	**88.9**	59.9
Share based payment charge		**0.1**	0.5
Corporation tax paid		**(54.1)**	(41.0)
Operating cash flows before movements in working capital		**240.9**	174.7
Movement in inventories		**(40.3)**	0.9
Movement in receivables		**(162.6)**	68.8
Movement in payables		**(10.9)**	(25.3)
Movement in provisions		**(8.0)**	(0.6)
Net movement due to internal restructuring	2.2	**-**	(433.9)
Net cash generated by / (used in) operating activities		**19.1**	(215.4)
Cash flows from investing activities			
Interest received	12	**3.6**	2.0
Purchase of property, plant and equipment	15	**(16.3)**	(13.1)
Proceeds from sale of fixed assets		**1.1**	-
Acquisition of NCI		**(1.0)**	-
Transfer of cash from Restructuring	2.2	**-**	65.2
Purchase of intangible assets	17	**(1.3)**	(1.3)
Acquisition of subsidiary	18	**(4.4)**	-
Net cash (used in) / generated by investing activities		**(18.3)**	52.8
Cash flows from financing activities			
Increase in borrowings	28	**43.3**	398.2
Debt transaction costs paid	29	**-**	(26.6)
Payment of interest on lease liabilities	24	**(2.4)**	(2.0)
Principal payments on lease liabilities	24	**(21.3)**	(18.7)
Interest paid		**(81.0)**	(46.3)
Dividends paid		**-**	(0.2)
Net cash (used in) / generated by financing activities		**(61.4)**	304.4
Net (decrease) / increase in cash and cash equivalents		**(60.6)**	141.8
Cash and cash equivalents at the beginning of the year		**234.6**	91.9
Effect of exchange rate changes on cash and cash equivalents		**1.7**	0.9
Cash and cash equivalents at end of year	22	**175.7**	234.6

**Refer to Note 28 for details of the 2022 restatement.*

The Notes on pages 68 to 116 form an integral part of these Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2023

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 Common Control

There is no existing guidance in IFRS for business combinations under common control – transactions in which the combining businesses are ultimately controlled by the same party both before and after the combination. The process through which the Commodities Group was established included various common control transactions which have been accounted for as set out below.

2.2.1 Establishment of the Commodities Group

ED&F Man Commodities Limited was incorporated on 15 November 2019. During the year ended 30 September 2021, as part of a capital reorganisation of Holdings, various legal entities constituting the commodity trading business of Holdings were transferred to and became subsidiaries of the Commodities Group. Given the entities within the Commodities Group were under common control both before and after these acquisitions, such acquisitions were treated as business combinations under common control and accounted for using a 'pooling of interests' method whereby historic book values have been used and the principles set out in IASB's 2020 Discussion Paper on Business Combinations with Common Control have been applied.

The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Accordingly, the assets and liabilities of MCL and its subsidiaries transferred under common control are stated at predecessor values. These assets and liabilities were included in the Commodities Group's financial statements for the year ended 30 September 2021 as if MCL and its subsidiaries had been part of the Commodities Group from 1 October 2019. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition was accounted for as an adjustment to Shareholders' Equity.

For the year ended 30 September 2022, the cumulative impact of these transfers was $279.9 million movement within Shareholder's Equity and $433.9 million in net working capital on the Consolidated Statement of Cash Flows.

As a consideration for the acquisition of the main treasury operating entity (see Note 2.2.2) from a fellow subsidiary, the Commodities Group recognised an increase in capital reserve of $213.0 million on the restructuring date. During 2023, it was determined that there was a $1.0 million discrepancy in the amounts recognised in relation to the restructuring. As this is not material, it has been corrected in the current year financial statements.

2.2.2 Transfer of ownership of ED&F Man Treasury Management Limited ("Man Treasury") to MCL ("the Restructuring")

On 31 March 2022, 100% ownership of Man Treasury was transferred from Holdings to the Commodities Group, representing a business combination under common control. Prior to that date, Man Treasury was the main legal entity which carried the Group's Debt, including debt of $1,313 million, related interest and debt transaction costs ("Legacy Debt").

The debt restructuring completed on 31 March 2022 legally separated and ring-fenced the Commodities Group business which forms a part of MCL. As a part of this restructuring, the Legacy Debt was separated legally and retained at Holdings with no cross-default provisions to the Commodities Group. Given the legal separation of the Legacy Debt and Man Treasury's purpose being to finance the commodity trading activities of MCL going forward - distinct from the other legacy activities of Holdings - the transfer of Man Treasury has been accounted for prospectively, using the pooling of interest method. As such, historic book values of assets and liabilities have been used and the results of Man Treasury have been recognised from the date of acquisition.

2.3 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 2025 ("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 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 2025.

2.4 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. A uniform set of accounting policies is adopted by MCL as was applied by Holdings.

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 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 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.

2.5 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.

2.6 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.

2.7 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.

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 Consolidated Statement of Profit or Loss.

2.8 Current versus non-current classification

The 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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.9 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.

Acquisitions

Business combinations are accounted for using the acquisition method as at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.
The consideration transferred for the acquisition is generally measured at the acquisition date fair value, as are the identifiable net assets acquired, liabilities incurred (including any asset or liability resulting from a contingent consideration arrangement) and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred, except if they are related to the issue of debt or equity securities. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the contingent consideration is classified as equity, it will not be remeasured, and settlement is accounted for within equity. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

3. New and Revised Standards

3.1 New Standards

The Commodities Group adopted the following new accounting policies on 1 October 2022 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:

- Annual Improvements to IFRS Standards 2018 - 2020;
- Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use';
- Amendments to IAS 37 'Onerous Contracts - Cost of Fulfilling a Contract'; and
- Amendments to IFRS 3 'Reference to the Conceptual Framework'.

3.2 New accounting pronouncements and basis of preparation changes to be adopted on 1 October 2023

The IASB has issued the following pronouncements which are applicable to the Commodities Group from 1 October 2023:

- 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.

The Commodities Group's financial reporting will be presented in accordance with the above new standards from 1 October 2023. 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 effective for annual periods beginning on or after 1 October 2023.

- Amendment to IFRS 16 – Leases on sale and leaseback; and
- Amendment to IAS 1 – Non-current liabilities with covenants.

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 2023 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.

3.4 Climate change

The potential climate change-related risks and opportunities to which the Commodities Group is exposed have been identified and disclosed in the Commodities Group's Task Force on Climate-Related Financial Disclosures ("TCFD") disclosures for the year ending 30 September 2023. The Commodities Group has assessed the potential financial impacts relating to the identified risks, primarily considering the useful lives of, and retirement obligations for, property, plant and equipment, the possibility of impairment of goodwill and other long-life assets and the recoverability of the Commodities Group's deferred tax assets. Management continues to review the Commodities Group's climate-related risks and opportunities and their impact on the consolidated financial statements. The judgements and estimates related to the aforementioned areas will be kept under review by management as the future impacts of climate change depend on environmental, regulatory and other factors outside of the Commodities Group's control which are not all currently known.

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

There were no 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.

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 20)

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 26 and Note 31)

The Commodities Group has recorded Provisions of $25.0 million as at 30 September 2023 (30 September 2022: $31.5 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.

Recognition of Deferred Tax Assets

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

The Commodities Group has recognised deferred tax assets of $18.7 million (2022: $20.4 million). (See Note 14). 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, based on the reversal of previous impairments of the value of its subsidiaries. These reversals are taxable in Switzerland. The use of the losses brought forward has reduced the corporation tax liability and the value of the deferred tax asset by $2.4 million.

Volcafe's projections of profits support the recognition of deferred tax assets up to $14.7 million. The profit projection is based on the trading results alone and takes into account the changes to the structure of the Brazil trades, which reduces 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.

5. Business and Geographic Segment Information

The Commodities Group has three operating segments Coffee, Molasses and Liquid Products ("MLP") and Sugar Trading. The nature of these segments is described in Note 1. The below analysis is not intended to comply with IFRS 8 'Operating Segments' which does not apply to the Commodities Group.

The Commodities Group's executive management team has been identified as the chief operating decision makers as they direct the allocation of resources to operating segments based on the Adjusted operating profit and cash flows of each respective segment. Inter-segment sales and transfers are not significant and have been eliminated and not included in the following table:

	Coffee $m	MLP $m	Sugar Trading $m	[a]Cross-Commodities $m	Total $m
30 September 2023					
Operating revenue	**2,036.0**	**1,946.2**	**3,386.3**	**3.1**	**7,371.6**
Depreciation and amortisation	**(8.7)**	**(30.3)**	**(1.8)**	**(0.7)**	**(41.5)**
Share of profit of entities accounted for using the equity method	**-**	**1.8**	**-**	**-**	**1.8**
Adjusted operating profit[b]	**57.5**	**104.4**	**93.9**	**(4.3)**	**251.5**
EBITDA (Note 9)	**69.7**	**141.1**	**101.5**	**2.0**	**314.3**
Finance expense, net					**(88.9)**
Profit before tax					**166.9**
Balance Sheet					
Capital expenditures[c]	**7.4**	**10.2**	**0.5**	**-**	**18.1**
Non-current assets	**85.7**	**175.0**	**21.3**	**46.8**	**328.8**
Net current assets	**141.2**	**179.8**	**114.3**	**314.8**	**750.1**
Net assets	**220.7**	**180.4**	**116.0**	**(3.7)**	**513.4**
30 September 2022					
Operating revenue	2,119.8	1,708.7	3,061.8	19.3	6,909.6
Depreciation and amortisation	(8.6)	(28.1)	(1.7)	-	(38.4)
Share of profit of entities accounted for using the equity method	-	0.6	-	-	0.6
Adjusted operating profit[b]	39.1	59.4	84.2	(2.5)	180.2
EBITDA (Note 9)	52.5	99.1	76.6	3.2	231.4
Finance expense, net					(59.9)
Profit before tax					115.6
Balance Sheet					
Capital expenditures[c]	4.6	9.4	0.4	-	14.4
Non-current assets	84.5	171.1	13.2	45.9	314.7
Net current assets	127.9	111.0	126.5	299.9	665.3
Net assets	197.8	126.5	119.1	2.6	446.0

(a) Cross Commodities comprises legacy entities and ED&F Man Treasury Management PLC.

(b) Adjusted operating profit is after corporate management charges recharged to each business based on directly attributable costs, net assets or headcount. Refer to Note 8 for definition and reconciliation to the closest equivalent measure which is Operating Profit.
(c) Capital expenditures included additions to property, plant and equipment, deposits and intangible assets.

There were no customers of Coffee, MLP and Sugar Trading segments that accounted for more than 10% of the consolidated operating revenue for the years ended 30 September 2023 and 2022.

6. Operating Analysis

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

7. 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.

7.1 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.

7.2 Revenue from the Delivery of Traded Commodities

As noted in the "Financial Instruments" policy Note 20, 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.

	2023 $m	2022 $m
Revenue from contracts with customers	**2,024.7**	1,769.5
Revenue from the delivery of traded commodities	**5,346.9**	5,140.1
	7,371.6	6,909.6

Revenue from contracts with customers of $2,024.7 million is accounted for under IFRS 15, with 96% (2022: 96%) from the Molasses and Liquid Products division. The residual amount relates to Coffee and Sugar Trading divisions.

Revenue for the Coffee and Sugar Trading divisions is primarily disclosed in Revenue from the delivery of traded commodities with 62% (2022: 59%) from the Sugar trading division and 37% (2022: 41%) from the Coffee division.

8. Operating Profit

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

	Note	2023 $m	2022 $m
Depreciation of property, plant and equipment	15	**17.9**	16.8
Amortisation of right-of-use-assets	16	**22.4**	20.5
Amortisation of intangible assets	17	**1.2**	1.1
Foreign exchange gain		**(0.5)**	(28.3)
Operating lease rentals	24	**2.2**	0.9
Share based payment charge	27.2	**0.1**	0.5
Gain on disposal of property, plant and equipment	11	**(0.7)**	(1.4)
Impairment of fixed assets	15	**1.6**	2.3
(Reversal) / impairment of financial assets		**(3.0)**	1.0

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

Adjusted Operating Profit

The Consolidated Statement of Profit or Loss has been re-presented to align with paragraph BC56 of IAS 1 which clarifies items that would normally be regarded as 'operating' in nature. A subtotal has been added for 'Adjusted operating profit' which is calculated by adjusting Operating Profit to exclude Gain on disposal of property, plant and equipment, Impairment of fixed assets and Reversal / impairment of financial assets. Adjusted operating profit is an alternative performance measure that the Directors of the Commodities Group use and monitor at a consolidated level and is relevant to an understanding of the Commodities Group's financial performance. In prior years this financial statement line was called 'Operating profit'. The reconciliation to 'Operating profit' is shown on the face of the Consolidated Statement of Profit or Loss.

9. Earnings before interest, tax, depreciation and amortisation (EBITDA)

The Directors of the Commodities Group use and monitor the performance measure EBITDA at a consolidated level and believe 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 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. Refer to page 25 for Commodities Group definition of EBITDA and reconciliation to the closest equivalent IFRS measure which is profit before tax.

10. Auditors' Remuneration

The analysis of auditors' remuneration is as follows:

	2023 $m	2022 $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	**2.7**	2.4
Fees payable to the Commodities Group auditors and associates for other services	**0.1**	-
	2.8	2.4

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

11. Gain on Disposal of Assets

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

	2023 $m	2022 $m
Gain on disposal of property, plant and equipment	**0.7**	1.4
Gain on disposal of investments	**0.1**	-
	0.8	1.4

During 2023, Coffee recorded a gain of $0.7 million on disposal of land in Papua New Guinea. During 2022, Coffee recorded a gain on disposal of property in Uganda of $0.7 million and a gain on disposal of a mill in Guatemala of $0.7 million.

12. Finance Expense and Income

12.1 Finance Expenses

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.

12.2 Finance Income

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

	2023 $m	2022 $m
Finance expense on debt		
Interest on loans	**77.9**	35.4
Intercompany interest, net (Note 32)	**-**	13.6
Amortisation of debt transaction costs	**9.1**	5.6
Commitment and other fees	**3.1**	5.3
Total interest expense	**90.1**	59.9
Interest expense on lease liabilities	**2.4**	2.0
Total finance expense	**92.5**	61.9
Finance income	**(3.6)**	(2.0)
Net finance expense	**88.9**	59.9

13. Personnel Costs and Retirement Benefits

13.1 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 2023 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 2023.

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.

13.2 Personnel Costs

	2023 $m	2022 $m
Wages, salaries and bonus	**171.8**	157.3
Social security costs	**14.6**	15.1
Other pensions costs	**7.4**	7.1
	193.8	179.5

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

	2023 Number	2022 Number
Trading and administration	**1,165**	1,131
Industrial and seasonal	**1,845**	1,900
	3,010	3,031

Included in cost of goods sold are personnel costs of $40.4 million (2022: $35.6 million). Other personnel costs are included in administrative and selling expenses.

13.3 Retirement Benefits

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

	2023 %	2022 %
Rate of salary increases	**0.5-3.0**	0.5-3.0
Discount rate	**1.0-3.8**	0.6-3.4
Inflation	**0.5-3.0**	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:

	2023 $m	2022 $m
Current service cost	**(0.9)**	(1.4)
Past service cost	**-**	0.1
Net interest expense	**(0.1)**	(0.1)
Components of defined benefit costs recognised in the profit or loss	**(1.0)**	(1.4)

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

	2023 $m	2022 $m
The return on plan assets (excluding amounts included in net interest expense)	**0.2**	(3.2)
Actuarial gain arising from changes in demographic assumptions	**0.1**	-
Actuarial (loss) gain arising from changes in financial assumptions	**(0.2)**	7.5
Actuarial loss arising from experience adjustments	**(0.6)**	(0.1)
Re-measurement of the net defined benefit liability	**(0.5)**	4.2

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

	2023 $m	2022 $m
Present value of defined benefit obligations	**(33.4)**	(24.7)
Fair value of scheme assets	**30.9**	22.9
Net liability arising from defined benefit obligations	**(2.5)**	(1.8)

The movement in the defined benefit obligation over the year is as follows:

	$m
Defined benefit obligation at 1 October 2021	33.6
Interest cost	0.1
Current service cost	1.4
Contributions by plan participants	0.3
Remeasurements:	
- Gain from change in financial assumptions	(7.5)
Experience losses	0.1
Benefits paid	(0.5)
Exchange differences	(2.8)
Defined benefit obligation at 30 September 2022	**24.7**
Interest cost	**0.6**
Current service cost	**0.9**
Contributions by plan participants	**0.5**
Remeasurements:	
- Loss from change in financial assumptions	**0.2**
- Gain from change in demographic assumptions	**(0.1)**
Experience losses	**0.6**
Benefits deposited	**4.3**
Exchange differences	**1.7**
Defined benefit obligation at 30 September 2023	**33.4**

The plan assets are detailed as follows:

	2023 $m	2022 $m
Cash and cash equivalents	**0.7**	0.7
Equity instruments	**5.1**	4.4
Debt instruments	**5.3**	6.0
Real estate	**3.9**	3.3
Other	**15.9**	8.5
Total plan assets	**30.9**	22.9

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.

The actuarial gains and losses recognised in other comprehensive income relating to the actual return on scheme assets less the expected return on scheme assets for the year are a net loss of $0.5 million (2022: gain of $4.2 million). The cumulative actuarial losses recognised in the Consolidated Statement of Comprehensive Income to 30 September 2023 is $5.7 million (2022: $6.2 million).

The total contributions to the defined benefit plans in the next year are expected to be $1.4 million (2022: $0.9 million):

	2023 $m	2022 $m
Contributions by employer	**0.8**	0.6
Contributions by plan participants	**0.6**	0.3
Total contributions	**1.4**	0.9

A quantitative sensitivity analysis for significant assumptions as at 30 September is shown below:

	Impact on defined benefit obligation	
	2023 $m	2022 $m
Assumptions for Volcafe Ltd (Switzerland):		
Discount rate:		
0.25% increase	**(0.5)**	(0.6)
0.25% decrease	**0.5**	0.6
Future salary increases:		
0.25% increase	**0.1**	0.1
0.25% decrease	**(0.1)**	(0.1)
Life expectancy:		
Increase by 1 year	**0.2**	0.2
Decrease by 1 year	**(0.2)**	(0.2)

14. Income Tax

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

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

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

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

Deferred tax is not recognised for:

- temporary differences on the *initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;*
- *temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the 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:

	2023 $m	2022 $m
Current tax		
Current year	**51.5**	45.2
Adjustments in respect of prior years	**15.6**	(0.7)
	67.1	44.5
Deferred tax		
Current year	**(7.2)**	(16.5)
Adjustments in respect of prior years	**0.5**	(2.1)
	(6.7)	(18.6)
Tax charge on profits	**60.4**	25.9

	2023 $m	2022 $m
Profit before taxation	**166.9**	115.6
Less: Share of loss of entities accounted for using the equity method	**(1.8)**	(0.6)
Parent company and subsidiaries profit before taxation	**165.1**	115.0
Taxation (credit) charge calculated at the standard UK tax rate of 22% (2022: 19%)	**36.3**	21.8
Effects of:		
(Income not taxable) expenses not deductible for tax purposes	**0.5**	(5.5)
Adjustment for different tax rates	**5.4**	11.0
Effect of changes in tax rate	**0.7**	0.2
Adjustments in relation to prior years	**16.1**	(2.8)
Withholding taxes not covered by double tax relief	**1.0**	1.9
Tax effects of other income	**1.6**	-
Disposal of subsidiaries	**-**	1.0
Impairment of investments	**4.3**	1.7
Utilisation of tax losses brought forward	**(3.9)**	(3.0)
Taxable dividends received	**-**	1.8
Current year tax losses not recognised	**2.3**	4.8
Movement in unrecognised deferred tax	**(3.9)**	(7.0)
Total tax on continuing operations	**60.4**	25.9

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.

Deferred tax relates to the following:

	Profit or Loss Charge / (income)		Balance Sheet Asset / (liability)	
	2023 $m	2022 $m	2023 $m	2022 $m
Depreciation	**(0.5)**	(5.2)	**(18.6)**	(18.1)
Loss carry forward	**(2.2)**	1.9	**16.3**	18.5
Fair value gains and losses	**(1.1)**	1.5	**(7.3)**	(6.2)
Share based payments	**-**	(0.2)	**-**	-
Other temporary differences	**10.5**	20.6	**(2.2)**	(12.6)
Net deferred tax charge	**6.7**	18.6		
Net deferred tax liability			**(11.8)**	(18.4)
Of which:				
deferred tax liabilities			**(30.5)**	(38.8)
deferred tax assets			**18.7**	20.4
			(11.8)	(18.4)
At 1 October			**(18.4)**	(35.8)
Tax charge			**6.7**	18.6
Deferred tax recognised in other comprehensive income			**(0.1)**	(1.2)
At 30 September			**(11.8)**	(18.4)

Other temporary differences credit to the profit and loss account largely comprises the reversal of a temporary difference relating to forward coffee sales in Brazil which arose in the previous year.

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 $18.0 million (2022: $17.0 million).

Deferred tax has not been recognised in respect of certain tax losses of $221.0 million (2022: $266.0 million) because it is not probable that future profits will be available against which the Commodities Group can utilise the benefits.

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

A deferred tax of $3.9 million has not been recognised in respect of interest payments for which tax deductions are not permitted in the current year, and a deferred tax asset of $0.7 million in respect of fixed asset timing differences has not been recognised. It is not probable that the conditions that would allow the use of these assets will occur.

As at 30 September 2023 the undistributed reserves for which deferred tax liabilities have not been recognised were $25.4 million (2022: $27.2 million) in respect of subsidiaries, joint ventures and associates as it is unlikely that such undistributed profits will be distributed in the foreseeable future.

BEPS 2.0 Pillar 2

On 11 July 2023, Finance (No2) Act 2023 received Royal Assent. This brings into force legislation which implements BEPS 2.0 Pillar 2. These rules will affect the Commodities Group in the year ending 30 September 2025 for the first time. The Group is actively reviewing the impact of the rules, together with the draft amendments to the legislation that were announced on 18 July 2023 and 27 September 2023, in order to assess which entities will be subject to either the Multinational Top-up Tax or a Domestic Top-up Tax. The Group has a number of entities where the effective tax rate is below the minimum rate of 15% contained in the rules, and so, subject to potential further legislation. It is likely that the Group will incur an increased tax charge in the year ended 30 September 2025, as a result of the introduction of the legislation.

The 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.

15. Property, Plant and Equipment

15.1 Accounting Policy

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

15.2 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.

15.3 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 2021	81.2	14.6	238.7	0.4	334.9
Additions	0.8	0.5	11.4	0.4	13.1
Disposals	(1.9)	-	(8.1)	-	(10.0)
Transfers from CIP	-	-	0.4	(0.4)	-
Currency translation differences	(2.0)	0.8	(7.9)	-	(9.1)
At 30 September 2022	78.1	15.9	234.5	0.4	328.9
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 (Note 18)	**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**
At 30 September 2023	**81.7**	**17.6**	**246.4**	**0.5**	**346.2**
Accumulated depreciation and impairment losses					
At 1 October 2021	(30.9)	(5.0)	(126.4)	-	(162.3)
Depreciation charge	(2.3)	(0.5)	(14.0)	-	(16.8)
Impairment charge	-	-	(2.3)	-	(2.3)
Disposals	0.2	-	6.1	-	6.3
Currency translation differences	0.8	-	4.2	-	5.0
At 30 September 2022	(32.2)	(5.5)	(132.4)	-	(170.1)
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)**
At 30 September 2023	**(35.0)**	**(5.8)**	**(144.5)**	**-**	**(185.3)**
Net book value					
At 30 September 2022	45.9	10.4	102.1	0.4	158.8
At 30 September 2023	**46.7**	**11.8**	**101.9**	**0.5**	**160.9**

At 30 September 2023, the Sugar division increased the impairment provision relating to the ED&F Man Ingredients refinery asset and gas contract by $1.5 million (2022: $2.3 million). This was primarily due to a significant increase in production costs and worse economic performance than expected. The recoverable amount of $0.5 million was based on value in use.

16. 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 15)

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 2023.

	Leased Land and Buildings $m	Leased Office Equipment $m	Leased Plant and Machinery $m	Total $m
Cost:				
At 1 October 2021	32.1	0.1	75.8	108.0
Additions	10.4	-	30.0	40.4
Lease terminations	(4.0)	-	-	(4.0)
Transfers	(1.9)	-	1.9	-
Currency translation differences	(2.5)	-	(5.8)	(8.3)
At 30 September 2022	34.1	0.1	101.9	136.1
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**
At 30 September 2023	**43.2**	**0.1**	**111.3**	**154.6**
Depreciation:				
At 1 October 2021	(13.9)	-	(27.3)	(41.2)
Amortisation charge	(5.9)	-	(14.6)	(20.5)
Lease terminations	2.9	-	-	2.9
Transfers	(0.8)	-	0.8	-
Currency translation differences	1.3	-	1.4	2.7
At 30 September 2022	(16.4)	-	(39.7)	(56.1)
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)**
At 30 September 2023	**(21.3)**	**-**	**(56.2)**	**(77.5)**

	Leased Land and Buildings $m	Leased Office Equipment $m	Leased Plant and Machinery $m	Total $m
Net book value:				
At 30 September 2022	17.7	0.1	62.2	80.0
At 30 September 2023	**21.9**	**0.1**	**55.1**	**77.1**

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 2023, the Commodities Group has leases expiring from 2023 to 2036.

During 2023, the Commodities Group entered into lease contracts for new and replacement railcars and office renewals of $18.3 million (2022: $40.4 million). MLP contributed the majority, $15.7 million (2022: $31.8 million).

17. Intangible Assets

17.1 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.

17.2 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.

17.3 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 2021	14.2	10.7	24.9
Additions	-	1.3	1.3
At 30 September 2022	**14.2**	**12.0**	**26.2**
Additions	**-**	**1.3**	**1.3**
Additions through business combinations (Note 18)	**0.5**	**-**	**0.5**
Disposals	**-**	**(0.3)**	**(0.3)**
At 30 September 2023	**14.7**	**13.0**	**27.7**
Accumulated amortisation:			
At 1 October 2021	-	(4.9)	(4.9)
Amortisation charge	-	(1.1)	(1.1)
At 30 September 2022	**-**	**(6.0)**	**(6.0)**
Amortisation charge	**-**	**(1.2)**	**(1.2)**
Disposals	**-**	**0.3**	**0.3**
At 30 September 2023	**-**	**(6.9)**	**(6.9)**
Accumulated impairment losses:			
At 1 October 2021	(4.0)	-	(4.0)
At 30 September 2022	**(4.0)**	**-**	**(4.0)**
Charge for the year	**-**	**-**	**-**
At 30 September 2023	**(4.0)**	**-**	**(4.0)**
Carrying amount			
At 30 September 2022	10.2	6.0	16.2
At 30 September 2023	**10.7**	**6.1**	**16.8**

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

	2023 $m	2022 $m
Marketing of commodities	**2.0**	2.0
Processing of commodities	**8.7**	8.2
	10.7	10.2

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"): 9.5% based on the CGU specific rate.
- Growth to perpetuity: 2% based 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 9.5% to 14.5%, the recoverable value reduces by 20% 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.

18. Investments and Transactions

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. In the Commodities Group Financial Statements, joint ventures are accounted for using the equity method.

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

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

18.1 Investment in Joint Ventures and Associates

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 2022	**2.0**	**8.5**	**10.5**
Disposals	(0.7)	-	(0.7)
Share of retained earnings	1.0	0.8	1.8
Reversal of impairment	1.0	-	1.0
Transfer to assets classified as held for sale (Note 18.3)	-	(5.5)	(5.5)
Currency translation differences	0.3	(0.1)	0.2
At 30 September 2023	**3.6**	**3.7**	**7.3**

18.2 Joint Ventures

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

	2023 $m	2022 $m
Commodities Group's share of:		
Profit after tax	**1.0**	0.1
Share of retained earnings	**1.0**	0.1
Carrying amount of interests in joint ventures	***3.6***	*2.0*

	2023 $m	2022 $m
Gain / (loss) on disposal of joint venture	**0.3**	(3.4)

During the year ended 30 September 2023, the Commodities Group recognised a reversal of impairment on its investment in Noxtran Holdings Limited of $1.0 million and a loss of $0.7 million on derecognition of investment in Agrovia.

In January 2022, the Commodities Group sold the effective interest of 31.53% in Agrovia, a sugar logistics joint venture in Brazil for a total value of $11.3 million before deduction of the carrying amount of the joint venture. A net loss of $3.4 million was recognised on the sale of this joint venture.

18.3 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:

	2023 $m	2022 $m
Commodities Group's share of:		
Profit after tax	**0.8**	0.5
Share of retained earnings	**0.8**	0.5
Carrying amount of interests in associates	***3.7***	*8.5*

18.4 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 the asset 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 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 holds 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.

18.5 Acquisitions

The fair values of the assets acquired and liabilities assumed as part of the Group's acquisitions in the year are provisional and will be finalised within 12 months of the acquisition date. These are summarised below:

Gaffney trade and assets:	2023 $m
Property, plant and equipment	2.7
Current assets:	
Inventory	0.8
Trade and other receivables	0.8
Current liabilities:	
Trade and other payables	(0.4)
Net assets acquired	3.9
Goodwill	0.5
Purchase consideration	4.4
Consideration satisfied by:	
Cash paid	4.4

On 29 September 2023, the Group acquired the trade and assets of the processed animal proteins business from Wilbur Ellis Inc. The business is located in Gaffney, South Carolina and will form part of the MLP business.

The consideration for acquiring these assets was $4.4 million which was paid in cash. There is no contingent consideration. The acquisition date fair value of the trade receivables amounts to $0.8million. The gross amount of trade receivables is $0.8 million and it is expected that the full contractual amounts can be collected.

The business did not contribute to revenue and profit before tax of the Commodities Group for the year ended 30 September 2023. It is estimated that if the business had been acquired on 1 October 2022, it would have contributed $20.5 million and $0.4 million to revenue and profit before tax of the Commodities Group for the year ended 30 September 2023.

The goodwill represents the future opportunity to utilise workforce skills and distribution networks from the combined businesses.

19. Trade and Other Receivables

	2023 $m	2022 $m
Current receivables		
Trade receivables	**434.5**	357.2
Amounts owed by related parties	**2.3**	5.8
Amounts owed by joint ventures and associates	**1.6**	1.7
Tax receivables	**30.3**	25.9
Margins with exchanges	**15.1**	36.6
Prepayments	**81.3**	95.5
Other receivables	**8.6**	7.1
	573.7	529.8
Non-current receivables		
Amounts owed by related parties	**18.1**	15.8
Other receivables	**6.3**	5.7
	24.4	21.5

Note 20 includes details of collateral and credit enhancements held by the Commodities Group.

20. Financial Instruments and Financial Risk Management

20.1 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.

20.2 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.

20.3 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.

20.4 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 and unlisted equities, foreign currency exchange derivatives, listed equity derivatives and synthetic derivatives of listed equities.

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

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

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

Physical commodity contracts entered into and held for the purpose of the 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.

20.5 Cash Flow Hedging

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.

20.6 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 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)**
	-	-	**(1,501.4)**
Other financial liabilities:			
Derivative financial instruments	**(93.9)**	-	-
Total financial liabilities	**(93.9)**	-	**(1,501.4)**
Net financial assets / (liabilities)	**198.7**	-	**(863.5)**

	At Fair Value through Profit or Loss $m	At Fair Value through OCI $m	Amortised Cost (restated)* $m
At 30 September 2022			
Financial assets:			
Trade and other receivables	-	-	420.2
Cash and cash equivalents*	-	-	234.6
	-	-	654.8
Other financial assets:			
Derivative financial instruments	208.5	-	-
Total financial assets*	208.5	-	654.8
Financial liabilities:			
Trade and other payables	-	-	(500.4)
Lease liabilities	-	-	(81.0)
Loans and overdrafts, excluding transaction costs	-	-	(822.6)
	-	-	(1,404.0)
Other financial liabilities:			
Derivative financial instruments	(119.6)	-	-
Total financial liabilities	(119.6)	-	(1,404.0)
Net financial assets / (liabilities)*	88.9	-	(749.2)

**Prior year Cash and cash equivalents have been restated to include restricted cash of $23.4 million. (See Note 22).*

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

20.7 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	**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**

	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	35.5	(0.7)	(0.1)	-	-	-	34.7
Level 2	165.7	7.5	0.6	-	-	-	173.8
	201.2	6.8	0.5	-	-	-	208.5
Financial liabilities							
Level 1	(5.6)	-	-	-	-	-	(5.6)
Level 2	(109.6)	(4.4)	-	-	-	-	(114.0)
	(115.2)	(4.4)	-	-	-	-	(119.6)
Net fair value							
30 September 2022	86.0	2.4	0.5	-	-	-	88.9

20.8 Offsetting of Financial Assets and Liabilities

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

	2023			2022		
	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 Commodities	**505.0**	**(219.6)**	**285.4**	381.1	(186.8)	194.3
Derivative assets Foreign exchange	**7.2**	**-**	**7.2**	14.2	-	14.2
Derivative liabilities Commodities	**-**	**(91.5)**	**(91.5)**	169.5	(287.2)	(117.7)
Derivative liabilities Foreign exchange	**-**	**(2.4)**	**(2.4)**	-	(1.9)	(1.9)

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

20.10 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 (See Note 2.2), 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. (See Note 25) However, the Commodities Group still has a requirement to meet the minimum cash cost coverage and cash interest cost for Holdings.

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.

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 $320 million, increasing to $370 million by 30 September 2024; 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).

	2023 $m	2022 $m
Interest bearing loans and borrowings[1]	**867.7**	822.6
Less: cash and short-term deposits, excluding restricted cash	**(145.5)**	(211.2)
Net borrowings	**722.2**	611.4
Equity	**505.5**	438.6
Gearing Ratio (times)	**1.4**	1.4
Cumulative Tangible Net Worth[2]	**483.5**	407.8

1 Excludes debt transaction costs of $13.1 million (2022: $22.0 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.

The management of the capital structure is conducted by the Board of Directors, the GARC, and the combined Treasury Function. The separation of the Commodities Group only permits upstreaming transactions for cost recharges and dividends to pay interest on the Senior Term Loan. The key control is the requirement for Group CFO approval for any charges or payments between Holdings and Commodities Group.

20.11 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.

20.12 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 $17.0 million at 30 September 2023 (2022: $11.5 million).

20.13 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.

20.14 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 2023, the Commodities Group's borrowings of $854.6 million (2022: $800.6 million) are predominantly denominated in USD. The unamortised debt transaction costs were $13.1 million (2022: $22.0 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 2023 and 2022, no interest rate swaps were in place. For the year ended 30 September 2023, the net financing costs of $88.9 million (2022: $59.9 million) include $3.6 million of interest income (2022: $2.0 million) and $2.4 million of lease interest (2022: $2.0 million).

	2023 $m	2022 $m
Interest bearing loans and borrowings (excluding debt transaction costs)	**867.7**	822.6
Lease liabilities	**79.6**	81.0
Total interest-bearing debt	**947.3**	903.6

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, remain constant.

	2023 $m	2022 $m
Effect of 100bp increase on Profit or Loss	**9.5**	9.0
Effect of 100bp decrease on Profit or Loss	**(9.5)**	(9.0)
Effect of 100bp increase on Equity	**(9.5)**	(9.0)
Effect of 100bp decrease on Equity	**9.5**	9.0

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

20.15 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. As at 30 September 2023, gross derivative financial instrument liabilities not netted against derivative financial assets from operating activities totalled $93.9 million (2022: $119.6 million) and are shown in liabilities on the balance sheet.

	2023 $m	2022 (restated)* $m
Maximum credit exposure		
Trade and other receivables	**445.5**	381.9
Amounts owed by joint ventures and associates	**1.6**	1.7
Margins with exchanges	**15.1**	36.6
Derivative financial instruments	**292.6**	208.5
Cash and cash equivalents	**175.7**	234.6
	930.5	863.3

**2022 Cash and cash equivalents have been restated to include restricted cash of $23.4 million. (See Note 22)*

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 2023, $54.3 million of the trade receivables have collateral pledged (2022: $40.3 million). The fair value of such collateral and credit enhancements, including deposits, pledged inventories, parent company guarantees, and letters of credit was $54.3 million (2022: $40.3 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 2023 and 2022. Amounts owed by joint ventures and associates benefit from charges over assets.

	2023 $m	2022 $m
Trade receivables		
Neither impaired nor past due	**313.5**	265.7
Not impaired and past due in the following periods:		
within 30 days	**91.3**	68.1
31 to 60 days	**20.9**	17.2
61 to 90 days	**3.8**	2.2
Over 90 days	**5.0**	4.0
	434.5	357.2

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

	Trade Receivables	
	2023 $m	2022 $m
Allowance for expected credit losses		
Balance brought forward	**(8.8)**	(10.8)
Charge for the year	**(3.9)**	(6.4)
Utilisation	**1.2**	1.5
Reversal	**1.6**	6.1
Currency translation	**(0.1)**	0.8
Balance carried forward	**(10.0)**	(8.8)

20.16 Liquidity Risk

Liquidity risk is the risk that the Commodities Group may not be able to settle or meet its obligations on time. The principal objective of the combined Treasury Function is to manage liquidity and interest rate risks. The Treasury Function, working with Divisional FDs and Divisional Trade Finance Teams centrally 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 20.10)

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 2023, 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 2023 and 2022 are:

	2023 $m	2022 $m
Secured facilities	**1,003.6**	870.4
Unsecured facilities	**675.9**	620.0
Total facilities	**1,679.5**	1,490.4
Debt drawn, excluding debt transaction costs	**887.1**	826.3

As at 30 September 2023, the Commodities Group has off-balance sheet hedging facilities of $120.4 million (2022: $79.4 million) with utilisation of $29.9 million (2022: $19.0 million).

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 25.

	Trade Payables $m	Lease Liabilities $m	Loans and Overdrafts* $m	Derivative Financial Instruments $m
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**
Financial liabilities				
Within one month	174.6	1.6	85.0	55.0
One to three months	13.1	3.2	191.2	16.5
Three months to one year	13.3	16.0	138.8	43.7
One to two years	-	18.4	0.8	4.2
Two to five years	-	39.2	406.8	0.2
More than five years	-	8.3	-	-
At 30 September 2022	201.0	86.7	822.6	119.6

**Excludes debt transaction costs of $13.1 million (2022: $22.0 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 2023, the fair value of such hedging instruments was a liability of $2.0 million (2022: liability of $1.0 million). Related flows are all expected to occur and to affect Commodities Group profit or loss within one year of the balance sheet date.

21. 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.

	2023 $m	2022 $m
Inventories held for trading	**825.3**	**767.5**
Held for own use	**30.4**	**47.1**
	855.7	**814.6**

Cost of inventories recognised as an expense within cost of sales in the year ended 30 September 2023 was $6,828.9 million (2022: $6,316.1 million). There was no charge to cost of sales for inventories written down to net realisable value for the years ended 30 September 2023 and 2022. Included in inventories held for trading is $579.0 million (2022: $611.5 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 $25.5 million (2022: $85.4 million) of inventory sold to a third party with an option to repurchase. The consideration received has been accounted for within 'financial liabilities'.

22. 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.

	2023 $m	2022 (restated)* $m
Restricted cash and cash equivalents	**30.2**	23.4
Cash at bank and in hand	**145.5**	210.2
Cash equivalents	**-**	1.0
Cash and cash equivalents - other	**145.5**	211.2
Total cash and cash equivalents	**175.7**	234.6

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.

Other cash and cash equivalents comprise cash at bank, cash in hand and cash equivalents of short term highly liquid deposits.

***Prior period adjustment**

2022 has been restated to include 'Restricted cash and cash equivalents' of $23.4 million within 'Total cash and cash equivalents'. The restatement corrects a prior period error where restricted cash was excluded from cash and cash equivalents.

Disclosure of both 'Restricted cash and cash equivalents' and 'Cash and cash equivalents – other' on the face of the Statement of Financial Position is considered relevant to an understanding of the financial position of the Group as restricted cash may not be readily available to meet debt repayment requirements.

23. Trade and Other Payables

	2023 $m	2022 $m
Current payables		
Trade payables	**247.3**	201.0
Amounts owed to related parties	**5.7**	34.9
Amounts owed to joint ventures and associates	**5.6**	4.4
Taxation and social security	**41.4**	28.9
Margins with exchanges	**38.0**	51.2
Accruals and deferred income	**261.4**	244.2
Other payables	**8.4**	10.0
	607.8	574.6
Non-current payables		
Trade and other payables	**1.4**	1.0

24. 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:

	2023 $m	2022 $m
Opening lease liabilities balance	**81.0**	67.7
Additions	**18.0**	39.7
Lease terminations	**(0.3)**	(1.8)
Interest expense relating to lease liabilities	**2.4**	2.0
Payments	**(23.7)**	(20.7)
Exchange difference	**2.2**	(5.9)
Closing lease liabilities balance	**79.6**	81.0
Current	**20.7**	19.2
Non-current	**58.9**	61.8
	79.6	81.0

The maturity analysis of undiscounted lease liabilities is disclosed in Note 20.16.

The following amounts were recognised in profit or loss:

	2023 $m	2022 $m
Interest expense relating to lease liabilities	**2.4**	2.0
Operating expenses relating to short-term leases	**2.2**	0.9

25. Loans and Overdrafts

25.1 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 draw down 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.

25.2 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.

25.3 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.

25.4 Carrying Amount of Loans and Overdrafts

	2023 $m	2022 $m
Current bank loans and overdrafts		
Current loans and overdrafts	**415.6**	415.0
Debt Transaction Costs	**(9.1)**	(9.1)
Total current loans and overdrafts	**406.5**	405.9

	2023 $m	2022 $m
Non-current bank loans		
Revolving Credit Facility	**75.0**	60.0
Borrowing Base	**166.0**	129.0
Trade Finance Facility	**103.1**	136.6
Other Loans and Borrowings	**108.0**	82.0
Total non-current loans and overdrafts	**452.1**	407.6
Debt Transaction Costs	**(4.0)**	(12.9)
Total non-current loans and overdrafts	**448.1**	394.7

26. 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. The expense relating to any provision is presented in the profit or loss, net of any reimbursement.

	Legal Claims $m	Other Provisions $m	Total $m
At 1 October 2022	16.2	15.3	31.5
Additions	1.0	1.7	2.7
Utilised	-	(6.6)	(6.6)
Released	-	(4.0)	(4.0)
Net foreign exchange differences	1.2	0.2	1.4
At 30 September 2023	**18.4**	**6.6**	**25.0**
Current	**-**	**1.8**	**1.8**
Non-current	**18.4**	**4.8**	**23.2**

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 $18.1 million as at 30 September 2023 (2022: $15.8 million). During the current year, penalty interest of $1.0 million was accrued on the liability. There was no change to the status of the legal claim in the year ended 30 September 2023, and no definitive resolution date.

During the year ended 30 September 2022, a provision of $4.0 million was recognised in respect of a customs claim dispute at ED&F Man Molasses BV ("Man Molasses"). During the current financial year the Group has reached a settlement with the claimants. As such, this claim has been released net of the settlement amount.

The outstanding other provisions mainly relate to an onerous lease for a storage contract, a potential insurance dispute, restructuring costs and dilapidations. The onerous lease provision is currently being utilised. During the year ended 30 September 2023, other provisions of $1.7 million have been recognised. Of this, $1.2 million relates to onerous contracts.

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.

27. Share Capital

27.1 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		'A' Preference Shares of US$1 each	
	Number	$m	Number	$m
At 30 September 2022	376,469,139	376.5	376,469,139	376.5
At 30 September 2023	**376,469,139**	**376.5**	**376,469,139**	**376.5**

27.2 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 2023 for Commodities Group was $0.1 million (2022: $0.5 million).

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

	Number of Shares	
	2023	2022
Outstanding at 1 October	**2,412,719**	2,471,187
Exercised	**(1,674,773)**	(1,719)
Lapsed	**(1,667)**	(56,749)
Outstanding at 30 September	**736,279**	2,412,719

Exercisable as follows:

	Number of Shares 2023	2022
Immediately exercisable	**730,121**	1,740,377
Between 1 to 2 years	**6,158**	672,342
	736,279	2,412,719

28. Notes to the Cash Flow Statement

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

	2023 $m	2022 (restated)* $m
Decrease / (increase) in cash	**60.6**	(141.8)
Increase in borrowings	**43.3**	398.2
Debt transaction costs paid	**-**	(26.6)
Movement in net debt resulting from cash flows	**103.9**	229.8
Transfers arising from Restructuring	**-**	16.4
Debt transaction costs amortised	**9.1**	5.6
Effect of change in exchange rates	**(0.1)**	(0.9)
Movement in net debt	**112.9**	250.9
Opening net debt	**566.0**	315.1
Closing net debt	**678.9**	566.0

**2022 has been restated to include restricted cash in 'Decrease / (increase) in cash', 'Opening net debt' and 'Closing net debt' with other subtotals updated accordingly.*

Prior period adjustment

The 2022 Consolidated Statement of Cash Flows has been restated to include restricted cash of $15.1 million within 'Cash and cash equivalents at the beginning of the year' and $23.4 million of restricted cash within 'Cash and cash equivalents at end of year'. The $8.3 million outflow resulting from the movement in restricted cash, previously included within 'Net cash used in operating activities', has also been removed as a result of this restatement. The restatement corrects a prior period error where restricted cash was excluded from cash and cash equivalents.

29. Analysis of Changes in Net Debt

		Loans and Overdrafts		
	Cash Equivalents $m	Current $m	Non-current $m	Net Debt $m
At 1 October 2021 (restated)*	91.9	(326.9)	(80.1)	(315.1)
Cash flow (restated)*	141.8	(71.7)	(326.5)	(256.4)
Debt transaction costs paid	-	14.7	11.9	26.6
Transfers arising from Restructuring	-	(16.4)	-	(16.4)
Debt transaction costs amortised	-	(5.6)	-	(5.6)
Effect of change in exchange rates	0.9	-	-	0.9
At 30 September 2022 (restated)*	**234.6**	**(405.9)**	**(394.7)**	**(566.0)**
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)**

**2022 has been restated to include restricted cash within opening cash and cash equivalents, cash flow, and cash and cash equivalents at 30 September 2022. (See Note 28)*

30. Financial Commitments

30.1 Maturity of Minimum Lease Payments

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

	Plant and Machinery			Land and Buildings		
	2023 $m	2022 (restated)* $m	2022 (presented) $m	2023 $m	2022 (restated)* $m	2022 (presented) $m
Within one year	**16.4**	16.9	2.5	**3.3**	2.8	1.1
Between one and five years	**37.2**	45.5	4.2	**6.8**	4.9	1.8
After five years	**5.8**	9.0	2.4	**0.9**	2.8	1.1
	59.4	71.4	9.1	**11.0**	10.5	4.0

*Prior period adjustment

In the prior year, a number of entities missed submitting their data for the future minimum lease payments disclosure into the consolidation system. Prior year amounts have been amended to present a correction of these balances in the table above. The impact is an increase in financial commitments for Plant and Machinery from $9.1 million to $71.4 million and for Land and Buildings from $4.0 million to $10.5 million. The restatements have no impact on any other prior year disclosures in these Consolidated Financial Statements.

30.2 Joint Ventures and Associates

The Commodities Group and Company's share of capital commitments of its joint ventures and associates was Nil as at 30 September 2023 and 2022, respectively.

31. Contingent Assets and Contingent Liabilities

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 2023 and 2022, the Commodities Group has been involved in certain civil litigation cases.

During the year, the Group became aware of investigations by regulatory authorities into alleged historic breaches (prior to the financial years covered by these financial statements) by the Group's sugar trading business of sanctions regulations in force against one particular territory. The Group has appointed lawyers, who in turn have engaged forensic accountants, to support its own investigation into these matters and intends to fully cooperate with the external investigations. The 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 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.

The Commodities 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.

32. Related Party Transactions

32.1 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	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Associates	**-**	-	**-**	-	**-**	-	**(5.4)**	(4.1)
Joint ventures	**-**	-	**-**	-	**1.6**	1.7	**(0.2)**	(0.3)
Equity investor	**-**	-	**6.2**	16.7	**-**	-	**-**	-
Fellow subsidiaries	**-**	-	**-**	-	**20.4**	21.6	**(5.7)**	(34.9)

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

	2023 $m	2022 $m
Interest received from fellow subsidiaries	**7.6**	(17.1)
Interest paid to fellow subsidiaries	**(7.6)**	3.5
Intercompany interest, net	**-**	(13.6)

The Commodities Group obtains key management personnel services from its parent company, ED&F Man Holdings Limited, which reports key management personnel compensation.

33. Subsequent Events

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 such events requiring recognition or disclosure in the financial statements.

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Annual Report and Financial Statements

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