

Companies House

Company Registration No. 02737924 (England and Wales)

TRAFIGURA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016



TRAFIGURA LIMITED

COMPANY INFORMATION

Directors	N Konialidis M Irwin C Smallbone	(Appointed 24 October 2016)
Company number	02737924	
Registered office	14 St George Street London W1S 1FE	
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG	

TRAFIGURA LIMITED

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TRAFIGURA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present the strategic report for the year ended 30 September 2016.

Fair review of the business

The company's turnover represents costs plus 10% in respect of services to affiliated companies, which is consistent with results achieved in previous years.

The directors are satisfied with the results for the year and the state of affairs of the company at the balance sheet date.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

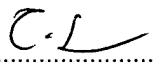
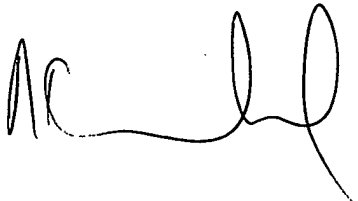
Risk management guidelines are established at senior management level. Any risks the company is exposed to are managed through a combination of internal procedures, such as strict control mechanisms and policies.

The company has no direct exposure to cash flow risk, credit risk, liquidity risk or price risk, due to the nature of its operations. All such risks fall upon the company's immediate parent undertaking, Trafigura Holdings Pte. Limited.

Development and performance

The directors expect the general level of immediate future activity to remain consistent with 2016.

On behalf of the board


.....
Director


Full name C SMALLBONE & N KONALIDIS
Please print in capitals

Approved by the directors on 28/6/17

TRAFIGURA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their annual report and financial statements for the year ended 30 September 2016.

Principal activities

The principal activity of the company continued to be that of the provision of services in consultancy, administration and data collection.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Konialidis

M Irwin

(Appointed 24 October 2016)

C Smallbone

M Davies

(Resigned 24 October 2016)

Results and dividends

The results for the year are set out on page 6.

Research and development

We continued to develop our own proprietary software and incurred \$7.6m (2015: \$20.4m) of internal development costs which were capitalised as Intangible Assets in the period.

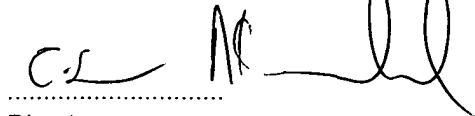
Auditor

The auditor, Bright Grahame Murray, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Director

Full name C SMALL BONE & N KONIALIDIS

Please print in capitals

Approved by the directors on 28/6/17

TRAFIGURA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 Act 2006. 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.

TRAFIGURA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TRAFIGURA LIMITED

We have audited the financial statements of Trafigura Limited for the year ended 30 September 2016 set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TRAFIGURA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF TRAFIGURA LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or 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 accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Bright Grahame Murray

Ahsan Miraj (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

28 June 2017

TRAFIGURA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 USD '000	2015 USD '000
Turnover	3	74,904	78,853
Administrative expenses		(68,122)	(71,723)
Other operating income/(expenses)		1,228	(210)
		<hr/>	<hr/>
Operating profit	4	8,010	6,920
Interest receivable and similar income	8	10	28
		<hr/>	<hr/>
Profit before taxation		8,020	6,948
Taxation	9	(1,366)	(1,446)
		<hr/>	<hr/>
Profit for the financial year		6,654	5,502
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

TRAFIGURA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016 USD '000	2015 USD '000
Profit for the year	6,654	5,502
Other comprehensive income	-	-
Total comprehensive income for the year	<u>6,654</u>	<u>5,502</u>

TRAFIGURA LIMITED

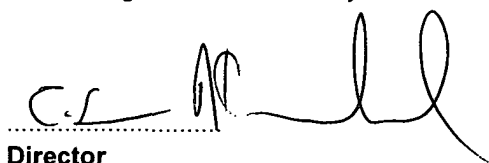
BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	Notes	2016		2015	
		USD '000	USD '000	USD '000	USD '000
Fixed assets					
Intangible assets	10		50,712		59,820
Tangible assets	11		17,337		18,993
			<u>68,049</u>		<u>78,813</u>
Current assets					
Debtors	12	27,182		31,433	
Cash at bank and in hand		5,186		5,980	
		<u>32,368</u>		<u>37,413</u>	
Creditors: amounts falling due within one year	13	(71,805)		(94,417)	
Net current liabilities			(39,437)		(57,004)
Total assets less current liabilities			<u>28,612</u>		<u>21,809</u>
Provisions for liabilities			(149)		-
Net assets			<u>28,463</u>		<u>21,809</u>
Capital and reserves					
Called up share capital	16		*		*
Profit and loss reserves			<u>28,463</u>		<u>21,809</u>

* Amount less than \$1,000

The financial statements were approved by the board of directors and authorised for issue on 28/6/17 and are signed on its behalf by:


 Director

Full name C SMALLBONE & N KONIAKIDIS
 Please print in capitals

Company Registration No. 02737924

TRAFIGURA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Profit and loss reserves USD '000
Balance at 1 October 2014	16,307
Year ended 30 September 2015:	
Profit and total comprehensive income for the year	5,502
Balance at 30 September 2015	21,809
Year ended 30 September 2016:	
Profit and total comprehensive income for the year	6,654
Balance at 30 September 2016	28,463

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

Company information

Trafigura Limited is a private company limited by shares incorporated in England and Wales. The registered office is 14 St George Street, London, W1S 1FE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in USD as this is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest USD '000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Trafigura Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014.

Upon transition, the company elected to reclassify certain Software Development Costs from Tangible Fixed Assets to Intangible Fixed Assets. A detailed explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

This company is a qualifying entity for the purposes of FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of cash flow statements and remuneration of key management personnel.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is fees receivable, exclusive of value added tax and represents costs plus 10% mark up.

The company's activities consist solely of the provision of services in consultancy, administration and data collection in the United Kingdom.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible Assets comprise internally generated assets relating mainly to computer software and other intangible assets relating mainly to externally acquired computer software and assets. These are carried at cost less accumulated amortisation and any recognised impairment loss. Other intangible Assets such as externally acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives of three years. Costs relating to the development of computer software for internal use are capitalised once all the development phase recognition criteria of Section 18 of FRS 102 "Intangible Assets" are met. When the software is available for its intended use, these costs are amortised in equal annual amounts over the estimated useful life of the asset. Amortisation and impairment of computer software or licences are charged to administrative expenses in the period in which they arise.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

Cost Capitalisation

The cost of internally generated assets is capitalised as an intangible asset where it is determined by management's judgement that the ability to develop the assets is technically feasible, will be completed and that the asset will generate economic benefit that outweighs its cost. This is in line with the recognition criteria as outlined in Section 18 FRS 102 "Intangible Assets". Management determine whether the nature of the projects meets the recognition criteria to allow for the capitalised of internal costs, which include the total cost of any external products or services and labour costs directly attributable to development. During the year management have considered whether costs in relation to the time spent on specific software projects can be capitalised. Time spent that was eligible for capitalisation included time which was intrinsic to the development of new assets to be used by the company and the enhancement of existing system capabilities.

Other development costs that do not meet the above criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Research expenditure is recognised as an expense as incurred.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software Development	20-40% p.a. on a straight line basis
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less a provision for depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	20% p.a on a straight line basis
Fixtures, fittings and computers	20-40% p.a on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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

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

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of certain employees. Contributions payable are charged to the profit and loss account in the year they are payable.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on settlement of monetary items on translating monetary items at the balance sheet date are recognised in the profit and loss account.

1.16 Research and Development Expenditure Credit

The company takes advantage of the incentives offered under the UK's Research and Development Expenditure Credit (RDEC) regime to claim a credit for the company's significant expenditure on qualifying research and development. As enacted in the Finance Act 2015, the credit due to the company is equal to 11% of the company's qualifying expenditure. The company continues to utilise the additional benefits from the scheme in light of the company's commitment to its innovative technology and software.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing the functional currency

The directors are required to identify the functional currency of the company. In making this judgement the directors have considered factors such as the currency which mainly influences both sales and cost prices, and the countries whose competitive forces and regulations affect those prices. Where the functional currency is not clearly identifiable, the directors use judgement to determine which currency most faithfully represents the economic effects of the underlying transactions, events and conditions.

Recognition of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Intangible assets (capitalisation of software costs)

The cost of internally generated assets is capitalised as an intangible asset where it is determined by management's judgement that the ability to develop the assets is technically feasible, will be completed and that the asset will generate economic benefit that outweighs its cost.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Determining the useful economic lives of property, plant and equipment

Trafigura depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and product life cycles.

Establishing recoverable values of impaired assets

Loans, receivables and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Loans and receivables are evaluated based on collectability. Changes in estimates could impact recoverable values of the assets.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 USD '000	2015 USD '000
Turnover		
Service fees receivable	74,904	78,853
	<u> </u>	<u> </u>
Other significant revenue		
Rent receivable	532	-
RDEC receivable	696	-
	<u> </u>	<u> </u>

4 Operating profit

	2016 USD '000	2015 USD '000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(707)	(434)
Depreciation of owned tangible fixed assets	10,227	9,111
Profit on disposal of tangible fixed assets	(30)	-
Amortisation of intangible assets	15,803	11,734
Operating lease charges	6,038	2,790
Other administrative expenses not requiring separate disclosure	36,692	48,442
	<u>68,064</u>	<u>71,723</u>

5 Auditor's remuneration

	2016 USD '000	2015 USD '000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	41	45
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	41	24
	<u> </u>	<u> </u>

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administrative staff	49	73

Their aggregate remuneration comprised:

	2016 USD '000	2015 USD '000
Wages and salaries	9,575	10,736
Social security costs	800	1,233
Pension costs	529	820
	10,904	12,789

7 Directors' remuneration

	2016 USD '000	2015 USD '000
Remuneration for qualifying services	248	446

8 Interest receivable and similar income

	2016 USD '000	2015 USD '000
Interest income		
Interest on bank deposits	10	28

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

9 Taxation

	2016 USD '000	2015 USD '000
Current tax		
UK corporation tax on profits for the current period	-	1,565
Adjustments in respect of prior periods	(93)	-
Total current tax	(93)	1,565
Deferred tax		
Origination and reversal of timing differences	1,361	(119)
Previously unrecognised tax loss, tax credit or timing difference	98	-
Total deferred tax	1,459	(119)
Total tax charge	1,366	1,446

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 USD '000	2015 USD '000
Profit before taxation	8,020	6,948
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.50%)	1,604	1,424
Adjustments in respect of prior years	(93)	-
Depreciation on assets not qualifying for tax allowances	295	-
Other permanent differences	-	22
Deferred tax adjustments in respect of prior years	(98)	-
RDEC expenditure adjustment	225	-
Foreign exchange hedging adjustment	(189)	-
Other adjustment to deferred tax rates	30	-
Reduction in tax payable re RDEC credit	(408)	-
Taxation charge for the year	1,366	1,446
Taxation charge in the financial statements	1,366	1,446

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

10 Intangible fixed assets

	Software Development USD '000
Cost	
At 1 October 2015	104,912
Additions	6,695
Transfers	962
	<hr/>
At 30 September 2016	112,569
	<hr/>
Amortisation and impairment	
At 1 October 2015	45,092
Amortisation charged for the year	15,803
Transfers	962
	<hr/>
At 30 September 2016	61,857
	<hr/>
Carrying amount	
At 30 September 2016	50,712
	<hr/>
At 30 September 2015	59,820
	<hr/>

Developments costs have been capitalised in accordance with the requirements of FRS102 and are therefore not treated, for dividend purposes, as a realised loss.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

11 Tangible fixed assets

	Leasehold property	Fixtures, fittings and computers	Total
	USD '000	USD '000	USD '000
Cost			
At 1 October 2015	15,232	63,255	78,487
Additions	2,259	6,312	8,571
Disposals	-	(21)	(21)
Transfers	-	(962)	(962)
At 30 September 2016	17,491	68,584	86,075
Depreciation and impairment			
At 1 October 2015	9,065	50,429	59,494
Depreciation charged in the year	1,816	8,411	10,227
Eliminated in respect of disposals	-	(21)	(21)
Transfers	-	(962)	(962)
At 30 September 2016	10,881	57,857	68,738
Carrying amount			
At 30 September 2016	6,610	10,727	17,337
At 30 September 2015	6,168	12,826	18,993

12 Debtors

	2016 USD '000	2015 USD '000
Amounts falling due within one year:		
Trade debtors	-	464
Corporation tax recoverable	2,122	-
Amounts due from group undertakings	15,820	10,620
Other debtors	1,267	2,947
Prepayments and accrued income	7,973	16,092
	27,182	30,123
Amounts falling due after more than one year:		
Deferred tax asset (note 14)	-	1,310
Total debtors	27,182	31,433

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

13 Creditors: amounts falling due within one year

	2016 USD '000	2015 USD '000
Trade creditors	2,658	5,909
Amounts due to group undertakings	64,773	73,177
Corporation tax	-	1,835
Other taxation and social security	93	369
Other creditors	1,202	462
Accruals and deferred income	3,079	12,665
	<u>71,805</u>	<u>94,417</u>

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 USD '000	Liabilities 2015 USD '000	Assets 2016 USD '000	Assets 2015 USD '000
Balances:				
Capital allowances in excess of/(less than) depreciation	<u>149</u>	<u>-</u>	<u>-</u>	<u>1,310</u>
Movements in the year:				2016 USD '000
Liability/(Asset) at 1 October 2015				(1,310)
Charge to profit or loss				<u>1,459</u>
Liability at 30 September 2016				<u>149</u>

15 Retirement benefit schemes

	2016 USD '000	2015 USD '000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>529</u>	<u>820</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

16 Share capital

	2016 USD '000	2015 USD '000
Ordinary share capital		
2 Ordinary shares of \$1.50 each	*	*
	<u> </u>	<u> </u>

*Amount less than \$1,000.

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 USD '000	2015 USD '000
Within one year	2,253	4,180
Between two and five years	9,010	7,616
	<u>11,263</u>	<u>11,796</u>

18 Controlling party

On 21 September 2016, the company's immediate holding company, Trafigura Group Pte. Ltd, transferred their controlling stake to Trafigura Holdings Pte. Ltd, a company incorporated in Singapore, who from that date onwards became the immediate holding company.

Trafigura Beheer B.V. the intermediate holding company, continues to prepare the consolidated accounts and they may be obtained from their registered offices.

Trafigura Beheer B.V.
Evert van de Beekstraat,
1, 82, The Base, Tower B, 5th floor,
1118 CL,
Schiphol,
The Netherlands

The ultimate parent undertaking is Farringford N.V., a company incorporated in Curacao.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

19 Reconciliations on adoption of FRS 102

Reconciliation of equity

		At 1 October 2014			At 30 September 2015		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Fixed assets							
Other intangibles		-	51,096	51,096	-	59,820	59,820
Tangible assets		65,617	(51,096)	14,521	78,813	(59,820)	18,993
		<u>65,617</u>	<u>-</u>	<u>65,617</u>	<u>78,813</u>	<u>-</u>	<u>78,813</u>
Current assets							
Debtors		185,440	-	185,440	28,752	-	28,752
Bank and cash		5,276	-	5,276	5,980	-	5,980
		<u>190,716</u>	<u>-</u>	<u>190,716</u>	<u>34,732</u>	<u>-</u>	<u>34,732</u>
Creditors due within one year							
Taxation		198	-	198	477	-	477
Other creditors		(241,415)	-	(241,415)	(92,213)	-	(92,213)
		<u>(241,217)</u>	<u>-</u>	<u>(241,217)</u>	<u>(91,736)</u>	<u>-</u>	<u>(91,736)</u>
Net current liabilities		<u>(50,501)</u>	<u>-</u>	<u>(50,501)</u>	<u>(57,004)</u>	<u>-</u>	<u>(57,004)</u>
Total assets less current liabilities		<u>15,116</u>	<u>-</u>	<u>15,116</u>	<u>21,809</u>	<u>-</u>	<u>21,809</u>
Provisions for liabilities							
Deferred tax		1,191	-	1,191	-	-	-
Net assets		<u>16,307</u>	<u>-</u>	<u>16,307</u>	<u>21,809</u>	<u>-</u>	<u>21,809</u>
Capital and reserves							
Profit and loss		<u>16,307</u>	<u>-</u>	<u>16,307</u>	<u>21,809</u>	<u>-</u>	<u>21,809</u>

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

19 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	Notes	Year ended 30 September 2015		
		Previous UK GAAP USD '000	Effect of transition USD '000	FRS 102 USD '000
Turnover		78,853	-	78,853
Administrative expenses		(71,723)	-	(71,723)
Other operating expenses		(210)	-	(210)
Operating profit		6,920	-	6,920
Interest receivable and similar income		28	-	28
Taxation		(1,446)	-	(1,446)
Profit for the financial period		5,502	-	5,502

Notes to reconciliations on adoption of FRS 102

On transition to FRS102, the company has reanalysed software development costs from Tangible Assets to Intangible Assets.