

Companies House

Company Registration No. 02737924 (England and Wales)

TRAFIGURA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



TRAFIGURA LIMITED

COMPANY INFORMATION

Directors	M Irwin C Smallbone
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 2018

The directors present the strategic report for the year ended 30 September 2018.

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.

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 intermediate holding company, Trafigura Pte. Limited.

Development and performance

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

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.

On behalf of the board



.....
M Irwin
Director

Date: 27.06.2019



.....
C Smallbone
Director

Date: 27.06.2019

TRAFIGURA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their annual report and financial statements for the year ended 30 September 2018.

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

(Resigned 13 March 2019)

M Irwin

C Smallbone

Results and dividends

The results for the year are set out on page 7.

Auditor

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

TRAFIGURA LIMITED

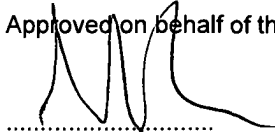
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Statement of disclosure to auditor

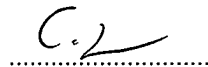
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to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

Approved on behalf of the board by



M Irwin
Director

Date: 27.06.19



C Smallbone
Director

Date: 27.06.19

TRAFIGURA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

Opinion

We have audited the financial statements of Trafigura Limited (the 'company') for the year ended 30 September 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

TRAFIGURA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF TRAFIGURA LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

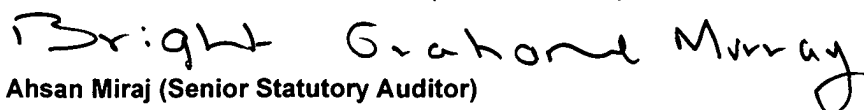
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

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

This report is made solely to the company's member 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 for our audit work, for this report, or for the opinions we have formed.



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

27 June 2019

TRAFIGURA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 USD'000	2017 USD'000
Turnover	3	40,626	58,466
Administrative expenses		(37,370)	(53,586)
Other operating income		426	419
Operating profit	4	3,682	5,299
Interest receivable and similar income	8	2	6
Profit on disposal of intangible assets		-	3,672
Profit before taxation		3,684	8,977
Tax on profit	9	(732)	(2,364)
Profit for the financial year		2,952	6,613

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

TRAFIGURA LIMITED

BALANCE SHEET

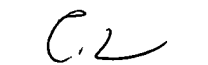
AS AT 30 SEPTEMBER 2018

		2018		2017	
	Notes	USD'000	USD'000	USD'000	USD'000
Fixed assets					
Intangible assets	12		944		849
Tangible assets	11		6,387		10,536
			<u>7,331</u>		<u>11,385</u>
Current assets					
Debtors	13	28,005		18,798	
Cash at bank and in hand		573		798	
		<u>28,578</u>		<u>19,596</u>	
Creditors: amounts falling due within one year	14	(9,581)		(7,605)	
Net current assets			<u>18,997</u>		<u>11,991</u>
Total assets less current liabilities			<u>26,328</u>		<u>23,376</u>
Capital and reserves					
Profit and loss reserves			<u>26,328</u>		<u>23,376</u>

The financial statements were approved by the board of directors and authorised for issue on 27.06.19 and are signed on its behalf by:



M Irwin
Director



C Smallbone
Director

Company Registration No. 02737924

TRAFIGURA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Profit and loss reserves USD'000
Balance at 1 October 2016		28,463
Year ended 30 September 2017:		
Profit and total comprehensive income for the year		6,613
Dividends	10	(11,700)
Balance at 30 September 2017		<u>23,376</u>
Year ended 30 September 2018:		
Profit and total comprehensive income for the year		<u>2,952</u>
Balance at 30 September 2018		<u><u>26,328</u></u>

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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.

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 2018

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 2018

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 at bank and in hand 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 2018

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

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.

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 transaction 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.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

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.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.14 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.

1.15 Research and Development Expenditure Credit

In the prior year, the company took 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 was 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 2018

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 2018

3 Turnover and other revenue

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

	2018 USD'000	2017 USD'000
Turnover analysed by class of business		
Service fees receivable	40,626	58,466

	2018 USD'000	2017 USD'000
Other significant revenue		
Interest income	2	6
Rent receivable	426	419
Recharge on disposal of intangibles	-	3,672

4 Operating profit

	2018 USD'000	2017 USD'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	492	252
Depreciation of owned tangible fixed assets	5,579	7,340
Amortisation of intangible assets	641	15,676
Operating lease charges	2,626	3,026
Other administrative expenses not requiring separate disclosure	28,032	27,292
	37,370	53,586

5 Auditor's remuneration

	2018 USD'000	2017 USD'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	43	37
For other services		
Taxation compliance services	31	60

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

6 Employees

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

	2018 Number	2017 Number
Administrative staff	29	35

Their aggregate remuneration, including directors' remuneration, comprised:

	2018 USD'000	2017 USD'000
Wages and salaries	7,306	7,141
Social security costs	901	1,093
Pension costs	362	382
	<u>8,569</u>	<u>8,616</u>

7 Directors' remuneration

	2018 USD'000	2017 USD'000
Remuneration for qualifying services	323	289
Company pension contributions to defined contribution schemes	17	16
	<u>340</u>	<u>305</u>

8 Interest receivable and similar income

	2018 USD'000	2017 USD'000
Interest income		
Interest on bank deposits	2	6

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

9 Taxation

	2018 USD'000	2017 USD'000
Current tax		
UK corporation tax on profits for the current period	901	4,503
Adjustments in respect of prior periods	(138)	921
Total current tax	763	5,424
Deferred tax		
Origination and reversal of timing differences	(31)	(1,967)
Previously unrecognised tax loss, tax credit or timing difference	-	(1,093)
Total deferred tax	(31)	(3,060)
Total tax charge	732	2,364

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:

	2018 USD'000	2017 USD'000
Profit before taxation	3,684	8,977
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	700	1,751
Tax effect of expenses that are not deductible in determining taxable profit	-	7
Adjustments in respect of prior years	(138)	921
Depreciation on assets not qualifying for tax allowances	106	156
Deferred tax adjustments in respect of prior years	-	(1,093)
Foreign exchange differences	66	58
Foreign exchange adjustment	-	88
Other adjustment to deferred tax rates	(2)	476
Taxation charge for the year	732	2,364

10 Dividends

	2018 USD'000	2017 USD'000
Final paid	-	11,700

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

11 Tangible fixed assets

	Leasehold property	Fixtures, fittings and computers	Total
	USD'000	USD'000	USD'000
Cost			
At 1 October 2017	17,492	69,121	86,613
Additions	-	1,430	1,430
At 30 September 2018	17,492	70,551	88,043
Depreciation and impairment			
At 1 October 2017	12,588	63,489	76,077
Depreciation charged in the year	1,699	3,880	5,579
At 30 September 2018	14,287	67,369	81,656
Carrying amount			
At 30 September 2018	3,205	3,182	6,387
At 30 September 2017	4,903	5,633	10,536

12 Intangible fixed assets

	Software Development USD'000
Cost	
At 1 October 2017	11,068
Additions	735
At 30 September 2018	11,803
Amortisation and impairment	
At 1 October 2017	10,218
Amortisation charged for the year	641
At 30 September 2018	10,859
Carrying amount	
At 30 September 2018	944
At 30 September 2017	849

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

13 Debtors

	2018 USD'000	2017 USD'000
Amounts falling due within one year:		
Amounts owed by group undertakings	15,962	5,702
Other debtors	931	912
Prepayments and accrued income	8,170	9,273
	<u>25,063</u>	<u>15,887</u>
Deferred tax asset (note 15)	2,942	2,911
	<u>28,005</u>	<u>18,798</u>

14 Creditors: amounts falling due within one year

	2018 USD'000	2017 USD'000
Trade creditors	1,239	2,249
Amounts owed to group undertakings	5,998	116
Corporation tax	587	2,384
Other taxation and social security	57	957
Other creditors	326	194
Accruals and deferred income	1,374	1,705
	<u>9,581</u>	<u>7,605</u>

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

15 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:

	Assets 2018 USD'000	Assets 2017 USD'000
Balances:		
Capital allowances in excess of/(less than) depreciation	2,942	2,911
	<u>2,942</u>	<u>2,911</u>
Movements in the year:		2018 USD'000
Liability/(Asset) at 1 October 2017		(2,911)
Credit to profit or loss		(31)
		<u>(2,942)</u>
Liability/(Asset) at 30 September 2018		<u>(2,942)</u>

16 Retirement benefit schemes

	2018 USD'000	2017 USD'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	362	382
	<u>362</u>	<u>382</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.

17 Share capital

	2018 USD'000	2017 USD'000
Ordinary share capital		
2 Ordinary shares of \$1.50 each	*	*
	<u>*</u>	<u>*</u>

*Amount less than \$1,000.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

18 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:

	2018 USD'000	2017 USD'000
Within one year	2,261	2,326
Between two and five years	1,412	3,779
	<u>3,673</u>	<u>6,105</u>

19 Ultimate 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 Group PTE Ltd, the intermediate holding company, continues to prepare the consolidated accounts and they may be obtained from their registered offices.

Trafigura Group PTE Ltd,
10 Collyer Quay
#29-00 Ocean Financial Centre
Singapore
049315

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