

Company Registration No. 02737924 (England and Wales)

TRAFIGURA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

TRAFIGURA LIMITED

COMPANY INFORMATION

Directors	C Smallbone M Swift R Bloch M Wainwright
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 2020

The directors present the strategic report for the year ended 30 September 2020.

Fair review of the business

The company's turnover represents costs recharged to group companies at agreed mark up levels of either 0% or 10%, based upon the underlying agreement with those group companies.

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

Covid 19 - Overall risk to operations

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses were being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets experienced great volatility and a significant weakening. Governments and central banks responded with monetary and fiscal interventions to stabilise economic conditions. The entity's financial position and performance is likely to be affected by these events for future periods.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

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.

TRAFIGURA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Statement by the Directors in performance of their statutory duties in accordance with s 172(1) Companies Act 2006

The Directors of Trafigura Limited consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Companies Act 2006) in the decisions taken during the year ended 30th September 2020.

Our People

People are a key factor for our business to succeed. We are proud of the average length of service of our employees. We intend to retain people for the long term and our recruitment strategy is based on offering long careers in fairly paid and stable jobs.

We encourage our employees to have both fulfilling careers and balanced lives. We look to our employees to contribute ideas for our future growth, and share the rewards of the business where we are profitable, primarily through our discretionary annual bonus scheme.

Business Relationships

We value long term relationships with our suppliers and customers and many of our relationships span years and some span decades. We employ robust "know your customer" and "know your supplier" processes across our operations, and we are typically cautious when entering into new relationships.

Community, Environment and Reputation

We believe that a positive and strong culture is the best way to ensure a high level of professional conduct when it comes to health and safety, environment, regulations or business dealings.

Capital allocation and long term decisions

At least on an annual basis the directors review the financial budgets, resource plans and investment decisions. In making decisions concerning the business plan and future strategy, the directors have regard to a variety of matters including the interests of stakeholders, long term consequences of our capital allocation (such expenditure needed to ensure our long term viability whilst maintaining adequate liquidity), and reputation.

Decisions on the level of dividend take into account the general profitability, liquidity and funding needs of the company.

On behalf of the board

Michael Stuart Wainwright
Director

Craig Smallbone
Director

16 June 2021

TRAFIGURA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020.

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:

C Smallbone
M Swift
R Bloch
M Wainwright

Results and dividends

The results for the year are set out on page 8.

Energy and emissions data

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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

Michael Stuart Wainwright
Director

Craig Smallbone
Director

16 June 2021

TRAFIGURA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020 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 2020 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.

TRAFIGURA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF TRAFIGURA LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

24 June 2021

TRAFIGURA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 USD'000	2019 USD'000
Turnover	3	39,081	39,025
Administrative expenses		(36,273)	(35,887)
Other operating income		443	403
Operating profit	4	3,251	3,541
Interest receivable and similar income	8	2	6
Interest payable and similar expenses	9	(37)	-
Profit before taxation		3,216	3,547
Tax on profit	10	(365)	(721)
Profit for the financial year		2,851	2,826

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 2020

		2020		2019	
	Notes	USD'000	USD'000	USD'000	USD'000
Fixed assets					
Intangible assets	12		1,151		1,901
Tangible assets	13		4,777		4,495
			<u>5,928</u>		<u>6,396</u>
Current assets					
Debtors - other	14	10,561		9,808	
Debtors - deferred tax > 1 year	15	2,556		2,619	
Cash at bank and in hand		1,133		419	
		<u>14,250</u>		<u>12,846</u>	
Creditors: amounts falling due within one year	16	<u>(7,560)</u>		<u>(9,475)</u>	
Net current assets			<u>6,690</u>		<u>3,371</u>
Total assets less current liabilities			<u>12,618</u>		<u>9,767</u>
Capital and reserves					
Profit and loss reserves			<u>12,618</u>		<u>9,767</u>

The financial statements were approved by the board of directors and authorised for issue on 16 June 2021 and are signed on its behalf by:

Michael Stuart Wainwright
Director

Craig Smallbone
Director

Company Registration No. 02737924

TRAFIGURA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Profit and loss reserves USD'000
Balance at 1 October 2018		26,328
Year ended 30 September 2019:		
Profit and total comprehensive income for the year		2,826
Dividends	11	(19,387)
Balance at 30 September 2019		9,767
Year ended 30 September 2020:		
Profit and total comprehensive income for the year		2,851
Balance at 30 September 2020		12,618

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 can agreed mark up level, either 10% or 0%.

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 2020

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 2020

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 2020

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 2020

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 2020

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 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 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.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020

3 Turnover and other revenue

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

	2020 USD'000	2019 USD'000
Turnover analysed by class of business		
Service fees receivable	39,081	39,025
	<u> </u>	<u> </u>
	2020 USD'000	2019 USD'000
Other significant revenue		
Interest income	2	6
Rent receivable	443	403
	<u> </u>	<u> </u>

4 Operating profit

	2020 USD'000	2019 USD'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	373	(167)
Depreciation of owned tangible fixed assets	3,518	3,789
Amortisation of intangible assets	881	658
Operating lease charges	2,916	2,976
Other administrative expenses not requiring separate disclosure	28,585	28,631
	<u> </u>	<u> </u>
Total administrative expenses charged	36,273	35,887
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2020 USD'000	2019 USD'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	41	38
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	28	25
	<u> </u>	<u> </u>

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Employees

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

	2020 Number	2019 Number
Administrative staff	31	31

Their aggregate remuneration, including directors' remuneration, comprised:

	2020 USD'000	2019 USD'000
Wages and salaries	7,973	6,757
Social security costs	1,039	843
Pension costs	404	391
	9,416	7,991

7 Directors' remuneration

	2020 USD'000	2019 USD'000
Remuneration for qualifying services	389	399
Company pension contributions to defined contribution schemes	31	16
	420	415

8 Interest receivable and similar income

	2020 USD'000	2019 USD'000
Interest income		
Interest on bank deposits	2	6

9 Interest payable and similar expenses

	2020 USD'000	2019 USD'000
Other interest	37	-

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10 Taxation

	2020 USD'000	2019 USD'000
Current tax		
UK corporation tax on profits for the current period	303	419
Adjustments in respect of prior periods	-	(22)
Total current tax	303	397
Deferred tax		
Origination and reversal of timing differences	62	324
Total tax charge	365	721

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:

	2020 USD'000	2019 USD'000
Profit before taxation	3,216	3,547
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	611	674
Adjustments in respect of prior years	-	(22)
Depreciation on assets not qualifying for tax allowances	75	106
Other non-reversing timing differences	(8)	1
Deferred tax adjustments in respect of prior years	-	3
Foreign exchange differences	(5)	(4)
Other adjustment to deferred tax rates	(308)	(37)
Taxation charge for the year	365	721

11 Dividends

	2020 USD'000	2019 USD'000
Final paid	-	19,387

The dividend paid during the prior year was settled by assignment of the intercompany balance due to Trafigura Pte Ltd.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12 Intangible fixed assets

	Software Development USD'000
Cost	
At 1 October 2019	13,418
Additions	131
	<hr/>
At 30 September 2020	13,549
	<hr/>
Amortisation and impairment	
At 1 October 2019	11,517
Amortisation charged for the year	881
	<hr/>
At 30 September 2020	12,398
	<hr/>
Carrying amount	
At 30 September 2020	1,151
	<hr/>
At 30 September 2019	1,901
	<hr/>

Included in Software Development Additions are licence fees with a carrying value of \$0.7m (2019: \$1.2m) and a remaining useful economic life of 3 years.

13 Tangible fixed assets

	Leasehold property USD'000	Fixtures, fittings and computers USD'000	Total USD'000
Cost			
At 1 October 2019	17,504	72,436	89,940
Additions	14	3,786	3,800
	<hr/>	<hr/>	<hr/>
At 30 September 2020	17,518	76,222	93,740
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 October 2019	15,973	69,472	85,445
Depreciation charged in the year	1,428	2,090	3,518
	<hr/>	<hr/>	<hr/>
At 30 September 2020	17,401	71,562	88,963
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 September 2020	117	4,660	4,777
	<hr/>	<hr/>	<hr/>
At 30 September 2019	1,531	2,964	4,495
	<hr/>	<hr/>	<hr/>

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

14 Debtors

	2020	2019
	USD'000	USD'000
Amounts falling due within one year:		
Corporation tax recoverable	575	-
Amounts owed by group undertakings	356	1,106
Other debtors	737	503
Prepayments and accrued income	8,893	8,199
	<u>10,561</u>	<u>9,808</u>
Deferred tax asset (note 15)	2,556	2,619
	<u>13,117</u>	<u>12,427</u>

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 2020	Assets 2019
	USD'000	USD'000
Balances:		
Capital allowances in excess of/(less than) depreciation	<u>2,556</u>	<u>2,619</u>
Movements in the year:		2020 USD'000
Liability/(Asset) at 1 October 2019		(2,619)
Charge to profit or loss		371
Effect of change in tax rate - profit or loss		(308)
Liability/(Asset) at 30 September 2020		<u>(2,556)</u>

The deferred tax asset is regarded as due in more than one year, as no material net reversal is expected within the next 12 months.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16 Creditors: amounts falling due within one year

	2020 USD'000	2019 USD'000
Trade creditors	622	1,480
Amounts owed to group undertakings	2,958	5,445
Corporation tax	-	68
Other taxation and social security	37	21
Other creditors	1,057	198
Accruals and deferred income	2,886	2,263
	<u>7,560</u>	<u>9,475</u>

17 Retirement benefit schemes

	2020 USD'000	2019 USD'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	404	391
	<u>404</u>	<u>391</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.

18 Share capital

	2020 USD'000	2019 USD'000
Ordinary share capital		
2 Ordinary shares of \$1.50 each	*	*
	<u>*</u>	<u>*</u>

*Amount less than \$1,000.

19 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:

	2020 USD'000	2019 USD'000
Within one year	-	1,334
	<u>-</u>	<u>1,334</u>

At the balance sheet date, the company's leases on their office space had expired. They were subsequently renewed after the year end, but no contractual obligation existed at the balance sheet date.

TRAFIGURA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

20 Controlling party

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 Foundation, which is established under the laws of Panama.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.