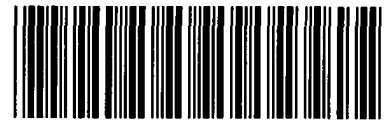


ECOM Agrotrade Limited

Report and Consolidated Financial Statements for the year ended 31 December 2016



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Company Registration No. 03576004

ECOM Agrotrade Limited

Report and Consolidated Financial Statements 2016

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ECOM Agrotrade Limited

Strategic report

The directors present the strategic report of ECOM Agrotrade Limited (“the Company”) and its subsidiaries (together “the Group”) for the year ended 31 December 2016.

Principal activities and business review

The principal activity of the Company and the Group, is that of procurement and trading of physical commodities, primarily cocoa beans but also coffee, raw and refined sugar, cashew and ginger. The Group further offers tailored risk management solutions to producers and users of agricultural commodities and provides financing and stock management services to selected customers and trading partners.

The Board monitors performance of the Group’s underlying operations on an ongoing basis and uses key performance indicators (KPIs) to measure its performance against set benchmarks, including budget and prior year data.

The principal risks and uncertainties are market risks arising from changes in international and local commodity prices, liquidity risk, counterparty risk, capital risk and foreign exchange risk.

Results and dividends

The Group’s result for the year to 31 December 2016, after taxation and minority interest, was a profit of US\$44,426,000 (2015: US\$22,744,000), and for the Company it was US\$35,516,000 (2015: US\$13,322,000). The directors do not recommend the payment of a dividend. Total equity of the Group as at 31 December 2016 amounts to US\$166,855,000 (2015: US\$102,020,000), and total equity for the Company amounts to US\$144,616,000 (2015: US\$89,100,000).

Future prospects

The Company plans to continue with its current operations. The Group’s main focus going forward will be the trading of cocoa beans and other agricultural commodities such as cashew and ginger. The Company is an indirect subsidiary of ECOM Agroindustrial Corporation Limited (“ECOM”) and the Directors are confident, based on the support received from ECOM, as well as recent financial performance, that the Company and the Group will continue to operate for the foreseeable future as a going concern.

Financial risk management policies and objectives

The Company’s subsidiaries operate in a highly competitive market and are exposed to a variety of operational and financial risks. The Company’s subsidiaries operate under a comprehensive risk management framework, established by the ultimate parent ECOM, to ensure that risks arising from the business are identified, measured, monitored and managed. Risk management guidelines and policies are set by the Board of ECOM and its Group Risk Committee. All subsidiaries are required to adhere to these policies and procedures. Segregation of duties between trading desks and centralised risk management, a strong professional set up and strict trading and counterparty position monitoring are key pillars of the group’s set up.

Market risk – commodity price risk

As a commodity trading business, the Group is inherently exposed to market price movements, in particular from commodity price movements, and their impact on the performance of the business. The Group manages its exposure by matching physical purchase and sales contracts and by hedging exposures on the commodity futures and foreign exchange markets.

The Group hedges its physical commodity positions and as such management does not deem an analysis of the sensitivity to concentration of price risk to be material.

ECOM Agrotrade Limited

Strategic report (continued)

Market risk - Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to EUR, GBP and Ghanaian Cedis. Management has a policy that requires Group companies to hedge material foreign exchange risk back to the US dollar.

Interest rate risk

The majority of the Group's borrowings are to finance working capital and inventory requirements for which the rates can be variable. The Company is therefore exposed to the risk of movements in interest rates. The majority of the Group's financing requirements are of a short-term nature. The Group deems this method of borrowing to be the most suited to its business model and financing needs as the forward price of commodities generally reflects underlying interest rates.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its obligations when they fall due. The Group endeavours to maintain sufficient cash and adequate credit facilities to meet its obligations at all times. The Group's liquidity position is monitored by a centralised group treasury function and short-term cash requirements and long-term funding projections are constantly reviewed to manage the funding requirements and the Group enjoys access to its parent's (ECOM) funding pool.

Capital risk management

The Company is a wholly owned subsidiary of ECOM and the Group is funded by a mix of equity capital, shareholder's loans, committed and uncommitted bank facilities. As part of the regular business planning process, in conjunction with ECOM, consideration is given to future capital and debt requirements.

Counterparty risk

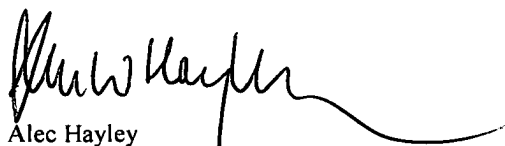
The Group is exposed to performance risk, where commodities are purchased or sold for forward delivery, and credit risk, where sales are on credit terms or have some form of settlement risk. All of the Group's counterparties must therefore be approved in accordance with the Group's counterparty risk management policy, setting exposure limits for credit terms, quantity and forward duration and sub-limits for price fixed and forward exposures. Monitoring of counterparty exposures is performed and variances and breaches are reported in accordance with policy; trades, which would result in limit breaches, may not be entered into without prior authorisation by the appropriate level of authority.

Counterparty exposures are monitored against their limits by reference to the net commodity positions and mark to market valuations by counterparty. Derivative financial instruments have been reported in the financial statements on a net basis and represent the Group's maximum exposure to credit risk.

Use of financial instruments

The Group uses financial instruments in its operating activities that are appropriate to its strategy and circumstances, such as hedging the physical purchase and sale of commodities.

The Strategic report was approved by the Board of Directors on 31 July 2017 and signed on its behalf by



Alec Hayley
Director
31 July 2017

ECOM Agrotrade Limited

Directors' report

The directors present their report and audited consolidated financial statements of the Group for the year to 31 December 2016.

Going concern

The directors continue to adopt the going concern basis in preparing the annual report and financial statements, as set out in Note 3 on page 15.

Equal opportunities

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment of disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled the Group aims to continue employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests

Directors

The directors who served throughout the year and to the date of this report, except as noted, were as follows:

Alain Poncelet
Nicolas de Wasseige
Alec Hayley
Mark Dendle (resigned 14 July 2016)
Andrew Falconer (appointed 14 July 2016)

Financial risk management policies and objectives

The Company's subsidiaries operate in a highly competitive market and are exposed to a variety of operational and financial risks. The Company's subsidiaries operate under a comprehensive risk management framework, established by the ultimate parent ECOM Agroindustrial Corporation Limited ("ECOM"), to ensure that risks arising from its business are identified, measured, monitored and managed. Risk management guidelines and policies are set by the Board of ECOM and its Group Risk Committee. All subsidiaries are required to adhere to these policies and procedures. Segregation of duties between trading desks and centralised risk management, a strong professional set up and strict trading and counterparty position monitoring are key pillars of the Group's set up.

Please refer to the Strategic report for discussion of the principal risks faced by the Company and the Group's risk management policies and objectives.

ECOM Agrotrade Limited

Directors' report (continued)

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors, PricewaterhouseCoopers LLP, expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Board Meeting.

The financial statements on pages 9 to 30 were approved by the Board of Directors on 31 July 2017 and signed on its behalf by



Alec Hayley

Director

31 July 2017

10th Floor
55 Old Broad Street
London
EC2M 1RX

ECOM Agrotrade Limited

Statement of directors' responsibilities

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 period. Under that law the directors have prepared the Group and parent company 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 Group and the Company and of the profit or loss of the Group 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 and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of ECOM Agrotrade Limited

Report on the financial statements

Our opinion

In our opinion, ECOM Agrotrade Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2016 and of the Group's profit and cash flows 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.

What we have audited

The financial statements, included within the Report and Consolidated Financial Statements (the "Annual Report"), comprise:

- the consolidated and Company balance sheets as at 31 December 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

In addition, in light of the knowledge and understanding of the Group, the Company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of ECOM Agrotrade Limited

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 6, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 Group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



David Coulon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 July 2017

ECOM Agrotrade Limited

Consolidated profit and loss account For the year ended 31 December 2016

	Note	Year ended 31 Dec 2016 US\$'000	Year ended 31 Dec 2015 US\$'000
Revenue		3,384,667	1,516,634
Cost of sales		(3,299,789)	(1,456,932)
Gross profit		84,878	59,702
Administrative expenses		(23,545)	(22,164)
Investment income		2,255	2,842
Operating profit	5	63,588	40,380
Share of associate net operating profit / (loss)		780	(589)
Interest receivable and similar income	7	2,442	1,205
Interest payable and similar charges	7	(10,593)	(14,713)
Profit on ordinary activities before taxation		56,217	26,283
Tax on profit on ordinary activities	8	(11,065)	(2,950)
Profit on ordinary activities after taxation		45,152	23,333
Profit / (loss) attributable to non- controlling interests		(726)	(589)
Profit for the financial year		44,426	22,744

Consolidated statement of comprehensive income For the year ended 31 December 2016

	Note	Year ended 31 Dec 2016 US\$'000	Year ended 31 Dec 2015 US\$'000
Profit for the financial year	5	44,426	22,744
Total comprehensive income		44,426	22,744

The accompanying notes are an integral part of these financial statements.


ECOM Agrotrade Limited

Consolidated balance sheet As at 31 December 2016

	Note	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Fixed assets			
Goodwill	9	1,058	1,058
Tangible assets	10	20,936	15,661
Investments	23	6,653	13,491
		<u>28,647</u>	<u>30,210</u>
Current assets			
Inventories	12	110,040	180,074
Debtors	13	467,170	372,203
Cash at bank and in hand		17,335	36,435
		<u>594,545</u>	<u>588,712</u>
Creditors: amounts falling due within one year	14	(454,369)	(511,607)
Net current assets		<u>140,176</u>	<u>77,105</u>
Total assets less current liabilities		<u>168,823</u>	<u>107,315</u>
Creditors: amounts falling due after more than one year	15	(1,815)	(5,141)
Provisions for liabilities	16	(153)	(154)
Net assets		<u><u>166,855</u></u>	<u><u>102,020</u></u>
Capital and reserves			
Called up share capital	17	174,300	154,300
Profit and loss account		(8,181)	(52,607)
Equity attributable to owners of the parent		<u>166,119</u>	<u>101,693</u>
Non-controlling interests		736	327
Total equity		<u><u>166,855</u></u>	<u><u>102,020</u></u>

The accompanying notes are an integral part of these financial statements.

These financial statements on pages 9 - 30 were approved and authorised for issue by the Board of Directors on 31 July 2017.



Alec Hayley
Director

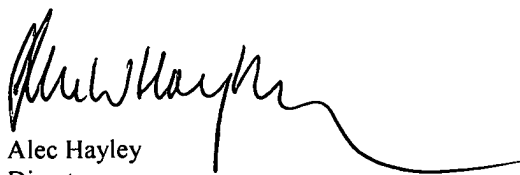
ECOM Agrotrade Limited

Company balance sheet As at 31 December 2016

	Note	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Fixed assets			
Tangible assets		4,186	570
Investments	23	12,934	22,635
		<u>17,120</u>	<u>23,205</u>
Current assets			
Inventories	12	63,395	142,239
Debtors	13	442,813	357,948
Cash at bank and in hand		243	851
		<u>506,451</u>	<u>501,038</u>
Creditors: amounts falling due within one year	14	(377,028)	(431,165)
Net current assets		<u>129,423</u>	<u>69,873</u>
Total assets less current liabilities		<u>146,543</u>	<u>93,078</u>
Creditors: amounts falling due after more than one year	15	(1,792)	-
Provisions for liabilities	16	(135)	(3,978)
Net assets		<u>144,616</u>	<u>89,100</u>
Capital and reserves			
Called up share capital	17	174,300	154,300
Profit and loss account		(29,684)	(65,200)
Equity attributable to owners of the parent		<u>144,616</u>	<u>89,100</u>
Total equity		<u>144,616</u>	<u>89,100</u>

The accompanying notes are an integral part of these financial statements.

These financial statements of ECOM Agrotrade Limited, registration number 03576004, were approved and authorised for issue by the Board of Directors on 31 July 2017.


Alec Hayley
Director

ECOM Agrotrade Limited

Consolidated statement of changes in equity For the year ended 31 December 2016

	Called up share capital US\$'000	Retained earnings US\$'000	Total US\$'000	Non- controlling interest US\$'000	Total equity US\$'000
Balance as at 1 January 2015	154,300	(75,351)	78,949	189	79,138
Profit for the year	-	22,744	22,744	589	23,333
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	22,744	22,744	589	23,333
Dividends	-	-	-	(451)	(451)
Balance as at 31 December 2015	154,300	(52,607)	101,693	327	102,020
Balance as at 1 January 2016	154,300	(52,607)	101,693	327	102,020
Profit for the year	-	44,426	44,426	726	45,152
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	44,426	44,426	726	45,152
Issuance of preference shares	20,000	-	20,000	-	20,000
Dividends	-	-	-	(317)	(317)
Balance as at 31 December 2016	174,300	(8,181)	166,119	736	166,855

The accompanying notes are an integral part of this consolidated statement of changes in equity.

ECOM Agrotrade Limited

Company statement of changes in equity For the year ended 31 December 2016

	Called up share capital US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2015	154,300	(78,522)	75,778
Profit for the year	-	13,322	13,322
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	13,322	13,322
Balance as at 31 December 2015	154,300	(65,200)	89,100
Balance as at 1 January 2016	154,300	(65,200)	89,100
Issuance of preference shares	20,000	-	20,000
Profit for the year	-	35,516	35,516
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	35,516	35,516
Balance as at 31 December 2016	174,300	(29,684)	144,616

The accompanying notes are an integral part of this Company statement of changes in equity.

ECOM Agrotrade Limited

Consolidated statement of cash flows For the year ended 31 December 2016

	Notes	Year ended 31 Dec 2016 US\$'000	Year ended 31 Dec 2015 US\$'000
Net cash from operating activities	18	145,348	(147,923)
Taxation paid		(11,223)	(2,066)
Net cash generated from operating activities		134,125	(149,989)
Cash flow from investing activities			
Sale of investment in associate		5,000	-
Investments in associates		-	(6,680)
Net cash acquired with subsidiary		-	340
Proceeds from disposals of tangible assets		391	168
Purchase of tangible assets		(7,611)	(6,942)
Interest received		2,442	1,205
Net cash used in investing activities		222	(11,909)
Cash flow from financing activities			
Increase / (decrease) in borrowings		(116,484)	119,343
Dividends paid to minority shareholders		(317)	(452)
Interest paid		(10,593)	(14,713)
Net cash used in financing activities		(127,394)	104,178
Net increase in cash and cash equivalents		6,953	(57,720)
Cash and cash equivalents at the beginning of the year		(14,397)	43,323
Cash and cash equivalents at the end of the year	18	(7,444)	(14,397)

The accompanying notes are an integral part of this consolidated cash flow statement.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

1. General information

The principal activities of the Group and the Company are the procurement and trading of physical commodities, primarily cocoa beans, and to a lesser extent raw and refined sugar, coffee, ginger and cashew. The Group further offers tailored risk management solutions to producers and users of agricultural commodities, and provides financing and stock management services to selected customers and trading partners.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 10th Floor, 55 Old Broad Street, London, EC2M 1RX.

2. Statement of compliance

The Group and individual financial statements of ECOM Agrotrade Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and in the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the current year and preceding period.

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historic cost convention, as modified by the revaluation of stock and derivative financial instruments measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. This is the first year of preparation of the consolidated accounts of the Group.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account, and the exemption from preparing a Company statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the financial statements, include the Company's cash flows.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' Reports on pages 2 to 5. The financial position of the Group, its cash flows, liquidity and risk position are set out in this report. In addition, these reports include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company is a subsidiary of ECOM Agroindustrial Corporation Limited ("ECOM") and the Directors are confident, based on the support received from ECOM that the Company and the Group will continue to operate for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 December. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Basis of consolidation (continued)

agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profits or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Foreign currency

The Group's entities measure items in their financial statements using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US dollars which is the Group's presentation currency.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the year end. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as reported in the statement of total recognised gains and losses, and recognised in the Group's foreign currency translation reserve.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable from the sales of physical commodities.

Where the consideration receivable in cash or cash equivalents is deferred and the arrangement constitutes a financing transaction, the fair value of the consideration is measured at the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

An analysis of revenue by geographical area has not been presented as the directors believe the disclosure of such information would be seriously prejudicial to the interests of the Group. The Group has no other material business activities beyond those set out in the Strategic Report.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when these timing differences crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Goodwill

Goodwill included in the balance sheet is assessed for impairment on an annual basis, or more frequently if events or circumstances change which indicate that the carrying value may be impaired.

Tangible assets

Tangible assets are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	25 - 30 years
Plant and equipment	3 - 10 years
Fixtures and fittings	3 – 5 years
Motor vehicles	3 - 5 years
Computer and office equipment	2 - 3 years

Residual value is calculated on prices prevailing at the date of acquisition.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Investments

Investments in subsidiary companies and investments in associates are held at cost less provision for impairment. Investments in joint ventures are accounted for using the equity method.

Inventories

Inventories are stated at market value at the balance sheet date. The directors consider that this method of valuation, whilst departing from standard accounting practice of valuation at lower of cost and net realisable value in the UK and from the Companies Act 2006, reflects more fairly the underlying transactions of the Group because the Group hedges its physical commodities with financial instruments, which are fair valued. Therefore to give a fairer view the inventories are also fair valued to match the profit and loss streams. The Company's systems do not facilitate the tracking of the historical cost of inventories, and therefore it is not possible to quantify the difference between the market value and the lower of cost and net realisable value of inventories.

Distributions to equity holders

Dividends are recognised as a liability in the financial statements in the period in which they are approved by the shareholders. These amounts are recognised in the consolidated statement of changes in equity.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Financial instruments

The Company has chosen to adopt the recognition and measurement provisions of IAS 39 Financial instruments: Recognition and Measurement (as adopted for use in the EU), the disclosure requirements of Sections 11 and 12 and the presentation requirements of paragraphs 11.38A or 12.25B of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised on the balance sheet when the Group or Company has become a party to the contractual provisions of the instrument. Financial instruments are de-recognised when all the de-recognition criteria of IAS 39 are met and the Group or Company no longer controls the contractual rights that comprise the financial instrument.

This is normally the case when the instrument is sold, or all of the cash flows attributable to the instrument are passed through to an independent third party. Long term contracts are included within financial instruments as appropriate and valued accordingly.

Financial assets

Financial assets are classified into the following specific categories:

Fair value through profit or loss

The Group classifies derivative financial instruments as held for trading. These amounts include unrealised gains from exchange traded futures and options and from a mark-to-market valuation on forward physical contracts. The fair value of exchange traded futures and options are the ICE Futures Europe and U.S. and CME Europe and US quoted closing prices on the balance sheet date. The mark-to-market valuation used for forward physical contracts is also derived from these quoted closing prices. Profits and losses arising therefrom are recognised in the profit and loss account.

Debt instruments measured at amortised cost

Trade and other debtors that have determinable payments that are not quoted in an active market are classified as debt instruments measured at amortised cost. They are measured at amortised cost using the effective interest method, less any impairment.

Cash

Cash comprises cash on hand and demand deposits, which may be accessed without penalty.

Financial liabilities

Financial liabilities are classified into the following specific categories:

Fair value through profit or loss

The Group classify their derivative financial instruments as held for trading. These amounts include unrealised losses from exchange traded futures and options and from a mark-to-market valuation on forward physical contracts. The fair value of exchange traded futures and options are the ICE Futures Europe and U.S. and CME Europe and US quoted closing prices on the balance sheet date. The mark-to-market valuation used for forward physical contracts is also derived from these quoted closing prices. Profits and losses arising therefrom are recognised in the profit and loss account.

Financial liabilities measured at amortised cost

This includes bank loans and overdrafts, and trade and other creditors. Other financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans. Short-term benefits, including holiday pay, are recognised as an expense in the period in which the service is rendered. An expense is recognised for bonuses when the Group has a legal or constructive obligation to make payments under the plan as a result of past events, and a reliable estimate of the obligation can be made.

The group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third party. Once these amounts have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due.

4. Critical accounting judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets

Impairment of debtors

The Company makes an estimate of the recoverable value of trade debtors (including advances to suppliers of commodities). When assessing the impairment of debtors management considers historical experience, age profile of debtors and, where appropriate, credit rating.

5. Operating profit

Operating profit is stated after charging:

	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Wages and salaries	16,391	13,998
Social security costs	384	315
Other pension costs	295	325
Total staff costs charged to profit and loss	17,070	14,638

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Auditors' remuneration for the audit of the Company and the Group's consolidated financial statements	446	490
Auditors' remuneration for the audit of the Group's subsidiary financial statements	419	618
Total amount payable to the Company's auditor and its associates	865	1,108
(Profit) / loss on disposal of tangible assets	10	74
Impairments	-	-
Inventory recognised as an expense	3,275,318	1,337,261
Operating lease payments	1,434	1,302
Foreign exchange (gains) / losses	(21,470)	12,923
(Profit) / loss on financial instruments measured at fair value	(23,507)	46,168

6. Employees and directors

Employees

The average monthly number of people (including executive directors) employed by the Group during the year was:-

By activity	2016 No.	2015 No.
Industrial employees	57	59
Administrative employees	522	498
	579	557

Directors

The remuneration of the directors who received remuneration for their qualifying service to the Company was \$1,195,563 (2015: \$616,582). The highest paid received \$713,440 (2015: \$324,245).

7. Net interest expense

	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Interest receivable and similar income		
On bank deposits and broker margin accounts	2,442	1,205
	2,442	1,205
Interest payable and similar charges		
On bank loans and overdrafts	3,439	7,223
Other loans	7,154	7,490
	10,593	14,713

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

8. Tax on profit / (loss) on ordinary activities

Tax expense included in profit or loss

	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Current tax		
UK Corporation tax charge at 20 % (2015: 20.3%)	-	66
Adjustments in respect of prior periods	(397)	(1,000)
Foreign tax charge	3,642	3,771
Share of associated undertakings tax charge	-	140
Total current tax charge for the period	3,245	2,977
Deferred tax		
Origination and reversal of timing differences	7,358	(1,381)
Adjustments in respect of prior periods	(1,265)	-
Impact of change in tax rate	1,727	1,354
Total deferred tax charge for the period	7,820	(27)
Tax charge on profits on ordinary activities	11,065	2,950

Tax rate changes

The standard rate of corporation tax in the UK remained unchanged at 20%. This rate has been in effect from 1 April 2015. The Group's profits for this accounting period are taxed at an effective rate of 19.7%.

Reconciliation of tax charge

The current year tax charge is lower (2015: lower) than that arising from applying the standard rate corporation tax of 20 % (2015: 20.3%). The differences are explained below.

	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Profit / (loss) on ordinary activities before taxation	56,217	26,283
Tax charge at 20% (2015: 20.3%)	11,243	5,335
Non –taxable income / deductible expenses	(369)	(1,772)
Adjustments in respect of prior periods	(1,366)	(1,000)
Adjustments in respect of foreign tax rates	450	360
Tax losses for which no deferred tax asset is recognised	593	(515)
Other tax movements	514	542
Total tax charge for the period	11,065	2,950

Factors that may affect the future tax charge

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. In the budget for 2016 the government announced further reduction in the main rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

9. Goodwill

	Goodwill US\$'000
Cost	
At 31 December 2015	1,058
Additions	-
At 31 December 2016	<u>1,058</u>
Accumulated impairment	
At 31 December 2015	-
Goodwill amortised	-
At 31 December 2016	<u>-</u>
Net book amount	
At 31 December 2015	<u>1,058</u>
At 31 December 2016	<u>1,058</u>

10. Tangible assets

	Buildings	Land	Computer and office equipment	Fixtures and fittings	Motor vehicles	Plant & equipment	Other	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost								
At 1 January 2016	6,516	690	1,346	206	5,247	3,538	3,792	21,335
Additions	2,748	717	194	23	2,597	709	736	7,724
Transfers	3,510	-	-	-	-	-	(3,510)	-
Disposals	-	-	(137)	(67)	(199)	(1,047)	-	(1,450)
At 31 December 2016	<u>12,774</u>	<u>1,407</u>	<u>1,403</u>	<u>162</u>	<u>7,645</u>	<u>3,200</u>	<u>1,018</u>	<u>27,609</u>
Accumulated depreciation								
At 1 January 2016	(592)	-	(876)	(145)	(1,600)	(2,364)	(97)	(5,674)
Charge for the period	(322)	-	(152)	(30)	(1,059)	(251)	(130)	(1,944)
Disposals	-	-	136	63	133	613	-	945
At 31 December 2016	<u>(914)</u>	<u>-</u>	<u>(892)</u>	<u>(112)</u>	<u>(2,526)</u>	<u>(2,002)</u>	<u>(227)</u>	<u>(6,673)</u>
Net book amount								
At 1 January 2016	<u>5,924</u>	<u>690</u>	<u>470</u>	<u>61</u>	<u>3,647</u>	<u>1,174</u>	<u>3,695</u>	<u>15,661</u>
At 31 December 2016	<u>11,860</u>	<u>1,407</u>	<u>511</u>	<u>50</u>	<u>5,119</u>	<u>1,198</u>	<u>791</u>	<u>20,936</u>

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Other represents capital costs mainly associated with construction of a new warehouse. This was transferred to leasehold land and buildings as it entered use in during the year to 31 December 2016.

	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Analysis of net book value of land and buildings – freehold and long leasehold		
Freehold	12,664	6,014
Long Leasehold (over 50 years unexpired)	603	600
	<u>13,267</u>	<u>6,614</u>

11. Associated undertaking

The carrying value of the investment in associates was as follows:

	Group 31 Dec 2016 US\$'000	Group 31 Dec 2015 US\$'000	Company 31 Dec 2016 US\$'000	Company 31 Dec 2015 US\$'000
Interests in Associates				
At beginning of period	13,491	-	13,491	-
Additions / (Disposals)	(9,119)	14,220	(9,119)	14,220
Share of profits retained	781	771	781	771
(Increase) / Decrease in Provisions	1,500	(1,500)	1,500	(1,500)
At end of period	<u>6,653</u>	<u>13,491</u>	<u>6,653</u>	<u>13,491</u>

The investment in associates comprises the 45% residual interest in VA&E Trading LLP.

12. Inventories

There is no significant difference between the replacement cost of the inventory and its carrying amount. The Group has total inventories held for trading of \$110,040,000 (2015: \$180,074,000). The Company has total inventories held for trading of \$63,395,000 (2015: \$142,239,000).

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

13. Debtors

	Group 31 Dec 2016 US\$'000	Group 31 Dec 2015 US\$'000	Company 31 Dec 2016 US\$'000	Company 31 Dec 2015 US\$'000
Gross trade debtors	61,596	93,277	32,507	32,366
Provision for doubtful debts	(702)	(12,660)	(155)	(546)
Trade debtors	60,894	80,617	32,352	31,820
Financial instruments held for trading	120,103	65,646	120,045	63,328
Amounts owed by related parties	171,854	132,053	195,497	140,180
Deferred tax asset	16,375	24,659	16,295	25,002
Other debtors	72,133	63,181	60,772	90,840
Prepayments and accrued income	25,811	6,047	17,852	6,778
	<u>467,170</u>	<u>372,203</u>	<u>442,813</u>	<u>357,948</u>

Financial instruments held for trading include \$1,430,000 (2015: \$5,923,000) due after more than one year. Other debtors contain amounts due from brokers of \$44,321,000 (2015: \$50,816,000).

Amounts owed by related parties are related to trade activities. They are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The deferred tax asset consists of the following items:-

	Group US\$'000
Deferred tax asset on trading losses	15,177
Fixed asset timing differences	1,198
At 31 December 2016	<u>16,375</u>

The deferred tax asset recoverable beyond one year amounts to \$13,675,000 (2015: \$20,915,000).

14. Creditors: amounts falling due within one year

	Group 31 Dec 2016 US\$'000	Group 31 Dec 2015 US\$'000	Company 31 Dec 2016 US\$'000	Company 31 Dec 2015 US\$'000
Bank loans and overdrafts	76,228	102,617	13,982	7,916
Trade creditors	43,115	25,535	38,135	31,446
Financial instruments held for trading	118,051	36,225	116,723	37,186
Amounts owed to related parties	186,500	279,466	191,319	324,814
Corporation tax	3,154	3,405	-	-
Other financial liabilities	4,932	21,859	1,770	15,393
Accruals and deferred income	22,389	42,500	15,099	14,410
	<u>454,369</u>	<u>511,607</u>	<u>377,028</u>	<u>431,165</u>

Amounts owed to related parties includes unsecured loans due to the ultimate parent company of \$159,236,000 (2015: \$275,384,000) at an interest rate of 2.25% pa (2015: 2.25% pa) which are repayable on demand. The remaining balance relates primarily to trade activities, and is unsecured, interest free, no fixed date of repayment, and repayable on demand.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

15. Creditors: amounts falling due after one year

	Group 31 Dec 2016 US\$'000	Group 31 Dec 2015 US\$'000	Company 31 Dec 2016 US\$'000	Company 31 Dec 2015 US\$'000
Financial instruments held for trading	1,792	1,260	1,792	-
Other financial liabilities	23	3,881	135	-
	<u>1,815</u>	<u>5,141</u>	<u>1,927</u>	<u>-</u>

All amounts stated above are due within 5 years.

16. Provisions

	Employee Benefits US\$'000	Total US\$'000
At 31 December 2015	154	154
Charged to the profit and loss account	(1)	(1)
At 31 December 2016	<u>153</u>	<u>153</u>

17. Share capital and other reserves

	Number of shares	Ordinary shares US\$'000
Called up and fully paid		
As at 31 December 2015	154,300	154,300
Ordinary shares of US\$1 each	-	-
As at 31 December 2016	<u>154,300</u>	<u>154,300</u>

	Number of shares	Preference shares US\$'000
Called up and fully paid		
As at 31 December 2015	-	-
Issuance of preference shares of US\$200 each	100,000	20,000
As at 31 December 2016	<u>100,000</u>	<u>20,000</u>

On 17 August 2016 100,000 preference shares were issued for a nominal value of USD 200 each. The preference shares rank pari passu with the ordinary shares for voting and capital rights, and carry preferential dividend rights.

No dividend has been proposed for the year ended 31 December 2016 (2015: nil).

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

18. Notes to the cash flow statement

Reconciliation of operating profit / (loss) to operating cash flows

	2016 US\$'000	2015 US\$'000
Profit for the financial year	45,152	23,333
Adjustments for:		
Tax on profit on ordinary activities	11,065	2,950
Net interest expense	8,151	13,508
Income from interests in associated undertakings	(780)	589
Operating profit	63,588	40,380
Depreciation of tangible assets	1,934	1,483
Loss on disposal of tangible assets	10	74
Net assets gain on transition to associate	0	599
Provisions less payments	(1)	135
Other non-cash movements	34,989	(5,517)
Working capital movements:		
- Movement in inventories	70,034	(58,131)
- Movement in debtors	(45,509)	(27,078)
- Movement in payables	20,303	(99,868)
Net cash inflow / (outflow) from operating activities	145,348	(147,923)

Analysis of changes in net debt

	1 Jan 2016 US\$'000	Cash flow US\$'000	31 Dec 2016 US\$'000
Cash at bank and in hand	36,435	(19,100)	17,335
Bank overdrafts	(50,832)	26,053	(24,779)
Debt due within one year	(327,169)	91,705	(235,464)
Net debt	(341,566)	98,658	(242,908)

Analysis of cash and cash equivalents

	2016 US\$'000	2015 US\$'000
Cash and cash equivalents is comprised of:-		
Cash at bank and in hand	17,335	36,435
Bank overdrafts	(24,779)	(50,832)
Cash and cash equivalents at the end of the year	(7,444)	(14,397)

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

19. Financial instruments

The group has the following financial instruments:

	2016 US\$'000	2015 US\$'000
Financial assets at fair value through profit or loss		
Derivative financial instruments	120,103	65,646
Financial assets measured at amortised cost		
Trade and other debtors	347,067	306,556
Total financial assets	467,170	372,202
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	118,051	36,225
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	76,228	102,617
Trade and other creditors	260,090	372,765
Total financial liabilities	454,369	511,607

The carrying value of financial assets recorded in the financial statements represents the maximum credit risk exposure for the Group. None of the financial assets are secured by collateral or other credit enhancements. The directors consider that the carrying amount of financial assets approximate to their fair value.

The derivative financial instruments consist of forward contracts for the purchase & sale of physical commodities, and forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. All derivative financial instruments are measured at fair value in line with the Group accounting policy as mentioned in Note 3.

The Company has the following financial instruments:

	2016 US\$'000	2015 US\$'000
Financial assets at fair value through profit or loss		
Derivative financial instruments	120,045	63,328
Financial assets measured at amortised cost		
Trade and other debtors	322,768	294,420
Total financial assets	442,813	357,748
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	118,515	37,186
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	13,982	7,916
Trade and other creditors	246,323	386,063
Total financial liabilities	378,820	431,165

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

- (a) Trade and other creditors principally comprise amounts due to counterparties in respect of amounts due under physical commodity contracts.
- (b) Bank loans and overdrafts principally represent borrowings provided under uncommitted credit facilities.
- (c) Derivative financial instruments represent fair value gains and losses on forward physical commodity contracts, and on foreign exchange contracts.

The directors consider the carrying amount of all financial instruments approximates to their fair value.

20. Commitments and contingencies

The Group has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 Dec 2016	31 Dec 2015
	Land and buildings US\$'000	Land and buildings US\$'000
Within one year	807	897
Later than one year and not later than five years	1,912	2,946
Later than five years	-	29
	<u>2,719</u>	<u>3,872</u>

The Group enters into forward and futures contracts for the purchase and sale of cocoa, coffee and foreign currencies in the normal course of business.

As at 31 December 2016, the Group has given a guarantee in respect of the obligations and liabilities of ECOM up to a maximum of US\$650,000,000 (2015: Nil).

21. Related parties

Balances at 31 December 2016 and 31 December 2015 with fellow Group subsidiaries and related parties are disclosed in Note 13 and Note 14. Transactions during the period are summarized below:

Related party (nature of transactions)	Transactions during the period	
	31 Dec 2016 US\$'000	31 Dec 2015 US\$'000
Sales of goods		
Fellow Group undertakings & parent company	388,715	346,448
Related parties	-	40
	<u>388,715</u>	<u>346,488</u>
Purchase of goods		
Fellow Group undertakings & parent company	277,973	270,212

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Related party (nature of transactions)	Transactions during the period	
	31 Dec 2016	31 Dec 2015
	US\$'000	US\$'000
Financing		
Group and related parties – interest income	1,323	976
Group and related parties – interest expense	4,985	7,416
Loan from parent company	159,236	275,384

22. Controlling party

The immediate parent undertaking is ECOM Agrotrade Holdings Limited. The ultimate parent undertaking and controlling party is ECOM Agroindustrial Corporation Limited (“ECOM”), a company incorporated in Switzerland. The Company is the smallest and largest Group of undertakings to consolidate these financial statements at 31 December 2016, as the consolidated financial statements of ECOM are not publicly available. The Company’s consolidated financial statements can be obtained from 10th Floor, 55 Old Broad Street, London EC2M 1RX.

23. Subsidiaries and related undertakings

The Company and the Group have investments in the following subsidiary undertakings and associates, which principally affected the profits or net assets of the Group:

Subsidiary undertakings	Principal activity	Country of incorporation	Holding	Class of Share
Agro ECOM Ghana Limited	Commodity procurement	Ghana	85%	Ordinary
Commodity Management Services Ghana Limited	Sustainability solutions	Ghana	100%	Shares
Kiteko Ghana Limited	Logistics	Ghana	100%	Ordinary
Associates	Principal activity	Country of incorporation	Holding	Class of Share
VA&E Trading LLP	Commodity procurement and trading	UK	49.51%	Member

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates, joint ventures and joint arrangements, the country of incorporation and the effective percentage of equity owned, as at 31 December 2016 are stated below. Unless otherwise stated the share capital disclosed comprises ordinary shares which are directly held by ECOM Agrotrade Limited. All subsidiaries of the Company have been included in the consolidated financial statements.

ECOM Agrotrade Limited

Notes to the financial statements For the year ended 31 December 2016

Fully owned subsidiaries

Armajaro Coffee Limited⁽ⁱ⁾ (England and Wales)
Armajaro Colombia S.A.S⁽ⁱ⁾ (Colombia)
Armajaro Overseas Limited⁽ⁱ⁾ (England and Wales)
Armajaro Nigeria Limited^(vii) (Nigeria)
Armajaro Trading (India) Private Limited⁽ⁱ⁾ (India, Equity Shares)
Armajaro Uganda Limited⁽ⁱ⁾ (Uganda)
Armajaro Vietnam Limited^(viii) (Vietnam)
Commodity Management Services Ghana Limited⁽ⁱ⁾ (Ghana, Shares)
iGrow Development Finance Limited⁽ⁱ⁾ (England and Wales)
Kiteko Ghana Limited⁽ⁱ⁾ (Ghana)
PT Armajaro Indonesia⁽ⁱ⁾ (Indonesia, Shares)
SISLI Limited⁽ⁱⁱⁱ⁾ (Tanzania)
Unicom Holding B.V⁽ⁱ⁾ (Netherlands, Common Shares and Cumulative Preference Shares)
Unicom Commodities Ghana Limited^(vi) (Ghana)
IGrow SA (Ivory Coast)
Kiteko SA (Ivory Coast)
Adehye Cocoa Company (Ghana)
JNF Properties Limited (Ghana)

Subsidiaries where the effective interest is less than 100%

Armajaro Cote D'Ivoire S.A⁽ⁱ⁾ (Cote d'Ivoire, 99.13%)
Agro ECOM Ghana Limited⁽ⁱ⁾ (Ghana, 85.00%)
Armajaro Rwanda Limited⁽ⁱ⁾ (Rwanda, 99.00%)
Armajaro Tanzania Limited⁽ⁱ⁾ (Tanzania, United Republic of, 99.99%)
Tecnisacorp S.A.⁽ⁱ⁾ (Ecuador, 99.88%)

Joint ventures and associates

Armajaro Cotton Ghana Limited⁽ⁱⁱ⁾ (Ghana, 50.00% , Shares)
Cocobod Armajaro Traceable Foundation^(v) (Ghana, 50%)
VA&E Trading LLP⁽ⁱ⁾ (England and Wales, 49.51%, Member)
Agricultural Ventures LLC^(iv) (United States, 45.00%, Member)
Commodity Distributors LLC^(iv) (United States, 45.00%, Member)
Commercializadora Mayasquer Cia Ltda.^(iv) (United States, 45.00%, Member)
V&A Commodity Traders Sàrl^(iv) (Switzerland, 45.00%)
VA&E Trading do Brasil Ltda^(iv) (Brazil, 49.51%, Ordinary quotas)

- (i) Direct subsidiary of ECOM Agrotrade Ltd
- (ii) 50% owned by ECOM Agrotrade Ltd
- (iii) Beneficial ownership
- (iv) Direct stake held by VA&E Trading LLP
- (v) Direct stake held by Agro ECOM Ghana Limited
- (vi) Direct subsidiary of Unicom Holding B.V.
- (vii) Direct subsidiary of Armajaro Overseas Limited
- (viii) Direct subsidiary of Armajaro Coffee Limited