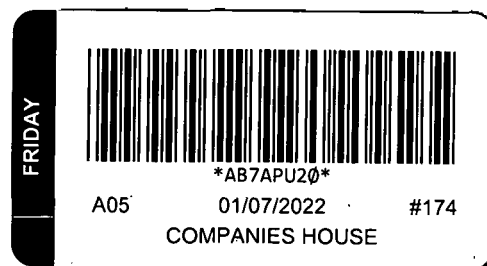


E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

Company Number: 09038255



E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Directors

C J R Smith
P Parness

Company Registration Number

09038255

Company Secretary

R J A Askew

Registered Office

3 London Bridge Street
London
SE1 9SG

Auditors

Ernst & Young, LLP
25 Churchill Place
London
E14 5EY

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Strategic Report

Business review and future developments

The Company is a holding company. The profit for the year ended 30 September 2021 after taxation amounted to \$7,300,000 (2020: \$3,281,000).

The Company monitors performance on an ongoing basis. The key performance indicator is considered to be profit/(loss) after taxation. The functional and presentational currency of the Company is US Dollars as this is the currency in which the majority of the Company's transactions are denominated.

Principal risks and uncertainties

The Company's business carries a number of risks and uncertainties including fluctuations in interest rates, foreign currency exchange rates, and operational risks which include insurance and legal risks in different jurisdictions. The Company mitigates these risks through hedging on futures markets where appropriate, by employing dedicated, in-house legal and insurance professionals, and through the operation of the Company's risk function.

Financial risks

Details of the Company's financial risks, are as follows:

Foreign currency exchange risk

The Company manages exposures to foreign currency fluctuations by entering into spot or forward foreign currency contracts.

Liquidity risk

Liquidity risk is the risk that sources of funding for the Company's business activities may not be available. This risk is managed by the Company in conjunction with the treasury function of E D & F Man Holdings Limited.

Operational risk

Operational risk is the risk of a loss or other adverse consequence arising from inadequate or failed internal processes, people and systems, or from external events. The Company mitigates its operational risk exposures through the implementation of an effective control environment.

Legal and compliance risk

This category includes the risk of non-compliance with applicable legal and regulatory frameworks. The Company has established procedures that are designed to ensure compliance with applicable statutory and regulatory requirements. The Company has established internal policies relating to ethics and business conduct, compliance with applicable legal and regulatory requirements, as well as training and other procedures designed to ensure that these policies are followed.

By Order of the Board



C J R Smith
Director
28 June 2022

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Directors' Report

The directors present their report and financial statements for the year ended 30 September 2021.

These financial statements of the Company (Company Number: 09038255) have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework."

The financial statements are prepared in US Dollars as this is the currency in which the majority of the Company's transactions are denominated.

The Directors do not recommend the payment of a dividend (2020: \$nil).

Donations

During the year, the Company made no political donations.

Directors

The directors who held office during the year were as follows:

C J R Smith
P Parness
T P M Stroud (resigned 15 January 2021)

None of the directors above held any beneficial interest in the shares of the Company during the year.

Disclosure of Information to auditors

To the best of the directors' knowledge, there is no relevant audit information of which the Company's auditors are unaware. The directors have also taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are also aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 company's financial statements in accordance with UK-adopted international accounting standards ("IFRSs"), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in *FRS 101* is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ED & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Directors' Report (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group'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 company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Indemnity

During the period under review, the Company had in force an indemnity provision in favour of one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006.

Going concern

Based on support from ED&F Man Capital Markets Holdings Ltd, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period of 12 months from the signature of these financial statements. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditors

Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under Part 16, Chapter 2, section 487 of the Companies Act 2006.

By order of the Board



C J R Smith
Director
28 June 2022

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Opinion

We have audited the financial statements of E D & F Man Financial Services Holdings Limited for the year ended 30 September 2021 which comprise the Profit and Loss Account, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED (continued)

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 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 directors' report have been prepared in accordance with applicable legal requirements.

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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED (continued)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

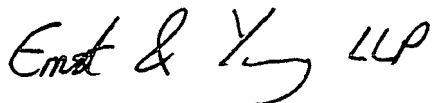
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice, and tax legislation (governed by HM Revenue and Customs).
- We understood how E D & F Man Financial Services Holdings Limited is complying with those frameworks by making inquiries of management and seeking representation from those charged with governance. We also reviewed board meeting minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering the potential for management override of controls over the valuation of investment in subsidiaries. Our procedures involved journal entry testing by specific risk criteria as well as the testing of management's assessment of investment impairment.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those responsible for legal and compliance matters for their awareness of any non-compliance with laws and regulations, inquiring about the policies that have been established to prevent non-compliance by officers and employees, reviewing board minutes and seeking representation from those charged with governance.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with 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.



Stephen Littler (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

29 June 2022

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Profit and Loss Account

For the year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
Other income		169	-
Other operating expenses		(1,838)	(1,189)
Operating loss	2	(1,669)	(1,189)
Gain on disposal of investment	8	1,840	-
Income from shares in group undertakings	3	7,750	5,485
Net interest receivable and similar income	5	20	1
Net interest payable and similar charges	6	(659)	(817)
Profit/(loss) on ordinary activities before taxation		7,282	3,480
Taxation	7	18	(199)
Profit/(loss) and total comprehensive income for the year		7,300	3,281

All disclosures relate only to continuing operations.

The Company has no other comprehensive income other than the profit/(loss) above.

The accounting policies and notes on pages 11 to 16 form part of, and should be read in conjunction with, these financial statements.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Statement of Financial Position

As at 30 September 2021

	Note	2021 \$'000	2020 \$'000
Non-current assets			
Investments in subsidiaries	8	<u>10,108</u>	<u>13,884</u>
		10,108	13,884
Current assets			
Debtors	9	5,776	46
Cash at bank and in hand		<u>100</u>	<u>-</u>
		5,876	46
Creditors: amounts falling due within one year	10	<u>(11,441)</u>	<u>(16,688)</u>
Net current liabilities		<u>(5,565)</u>	<u>(16,642)</u>
Net assets/(liabilities)		<u>4,543</u>	<u>(2,758)</u>
Capital and reserves			
Called up share capital	11	7,650	7,650
Profit and loss account		<u>(3,107)</u>	<u>(10,408)</u>
Shareholders' funds		<u>4,543</u>	<u>(2,758)</u>

The financial statements on pages 8 to 16 were approved and authorised for issue by the Board on 28 June 2022 and were signed on its behalf by:



C J R Smith
Director

Company number: 09038255

The accounting policies and notes on pages 11 to 16 form part of, and should be read in conjunction with, these financial statements.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Statement of Changes in Equity

For the year ended 30 September 2021

	Called Up Share Capital \$'000	Profit and Loss Account \$'000	Total Equity \$'000
At 30 September 2019	7,650	(13,689)	(6,039)
Profit for the year	-	3,281	3,281
At 30 September 2020	7,650	(10,407)	(2,758)
Profit for the year	-	7,300	7,300
At 30 September 2021	7,650	(3,107)	4,543

The accounting policies and notes on pages 11 to 16 form part of, and should be read in conjunction with, these financial statements.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Notes to the Financial Statements

1. Accounting policies

Basis of accounting

E D & F Man Financial Services Holdings Limited is a private limited company incorporated, domiciled and registered in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS101).

The financial statements have been prepared under the historical cost basis. The financial statements have been rounded to the nearest \$1,000.

Disclosure exemptions are available under FRS101. The company has taken advantage of the following disclosure exemptions:

- No Statement of Cash Flows has been presented
- The Financial Instrument disclosures required by IFRS7
- Related Party disclosures in respect of transactions with wholly-owned members of the ultimate parent and key management personnel compensation have not been presented.
- Disclosures in respect of the estimated effect of new IFRS issued but not yet effective have not been presented
- Disclosures in respect of the entity's objectives, policies and processes for managing capital
- The requirement to prepare consolidated financial statements

The Company is able to apply these exemptions as its financial statements are consolidated in the financial statements of its ultimate parent company, E D & F Man Holdings Limited (see note 12) prepared under UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Adoption of revised standards

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment

This Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- (a) Whether an entity considers uncertain tax treatments separately
- (b) The assumptions an entity makes about the examination of tax treatments by taxation authorities
- (c) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- (d) How an entity considers changes in facts and circumstances

ED & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Adoption of revised standards (continued)

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment (continued)

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The tax filings of Company include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing reviews, that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

Functional and presentational currency

The functional and presentational currency of the Company is US Dollars as this is the currency in which the majority of the Company's transactions are denominated.

Basis of preparation

The directors consider it appropriate to prepare the accounts on a going concern basis, as they believe that the Company is able to meet its liabilities as they fall due for the foreseeable future. In assessing the appropriateness of the going concern basis, the directors have taken account of all relevant information available covering a period from the date of approval of the financial statements to at least 12 months from the date of signing. ED&F Man Capital Markets Holdings Ltd has provided a letter of support for the Company.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or an average rate for the year. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. All differences are taken to the profit and loss account.

Critical accounting judgements, estimates and assumptions

Impairment

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is provided for in the current period profit and loss account when the carrying value of the asset exceeds its estimated recoverable amount or written back, as required, up to its original carrying value. The estimated recoverable amount is defined as the higher of the net realisable value and value in use. The value in use is determined by reference to estimated future discounted cash flows.

Investments

Fixed asset investments are included in the financial statements of the Company at cost less provisions for impairment. Investments are classified as held for sale only if available for immediate sale in their present condition, a sale is highly probable and expected to be completed within one year from the date of classification. Such assets are measured at the lower of carrying amount and fair value less costs to sell.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Notes to the Financial Statements (continued)

Provisions

Provisions are recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit and Loss Account, net of any reimbursement.

Taxation

Tax on the profit and loss for the year comprises current and deferred taxation. Tax is recognised in the Profit and Loss Account. Current taxation is the expected tax payable on the taxable profit for the year and any adjustments to tax payable in respect of previous years.

A deferred tax asset or liability is recognised in respect of all deductible or taxable temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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 the tax rates and laws enacted or substantively enacted at the year end date.

Dividends

Revenue is recognised when the Company's right to receive payment is established.

2. Operating (loss)/profit

	2021 \$'000	2020 \$'000
Operating (loss)/profit is stated after crediting/(charging):		
Legal and professional fees	(722)	(334)
Impairment of investment in E D & F Man Participacoes Financeiras Ltda	(393)	-
Impairment of investment in E D & F Man Mexico SA de CV	(723)	-
Impairment of investment in E D & F Man Metals Limited	-	(491)
Foreign exchange differences	51	(363)
Audit fees	(19)	(10)

The audit fee has been borne by another group company. No non-audit services were provided to the Company in either the current or prior year.

3. Amounts due from group undertakings

The Company had an intercompany loan which was a 365-day facility from Holco Man Limited, one of its subsidiaries. During 2021, this subsidiary declared a dividend to the Company from its distributable reserves, of which some was still outstanding as at 30 September 2021. At the year-end, the net receivable of \$1.58m was subsequently repaid to the Company in November 2021.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Notes to the Financial Statements (continued)

4. Staff costs

There were no employees of the Company during the year (2020: nil).

The directors of the Company receive emoluments for their services as employees of other Group companies. The directors do not believe that it is practicable to apportion the amount paid between their services as directors or employees of other group companies and their services as directors of the Company.

5. Net Interest receivable and similar income

	2021 \$'000	2020 \$'000
Interest receivable on:		
- Promissory note	20	1
	<u>20</u>	<u>1</u>

6. Net Interest payable and similar charges

	2021 \$'000	2020 \$'000
Interest payable on:		
- loans from group undertakings	659	817
	<u>659</u>	<u>817</u>

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

	2021 \$'000	2020 \$'000
UK corporation tax at 19% (2020: 19%)		
Adjustment in respect of prior years	18	(199)
Current tax (charge)/credit on ordinary activities	<u>18</u>	<u>(199)</u>
	2021 \$'000	2020 \$'000
<i>Reconciliation of the taxation charge</i>		
Profit/(loss) on ordinary activities before taxation	<u>7,282</u>	<u>3,480</u>
Current tax (charge)/credit at UK tax rate of 19% (2020: 19%)	(1,384)	(661)
Non-taxable income	1,473	1,042
Expenses not deducted for tax purposes	(133)	(64)
Tax effect of impairment of investments	(212)	(93)
Gain on disposal of investments	349	
Current year tax losses not recognised	(93)	(224)
Adjustment in respect of prior years	<u>18</u>	<u>(199)</u>
Total taxation (charge)/credit	<u>18</u>	<u>(199)</u>

The headline rate of UK corporation tax is scheduled to increase from 19% to 25% on 1 April 2023 following the enactment of Finance Act 2021 on 10 June 2021. The Company has \$2,814k (2020: \$2,324k) of unused tax losses at the year-end for which no deferred tax has been recognised.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Notes to the Financial Statements (continued)

8. Investments in subsidiaries

	2021 \$'000	2020 \$'000
At the beginning of the year	13,884	17,913
Additions	900	-
Reductions	(3,560)	(3,538)
Impairment in the year	(1,116)	(491)
Reversal of impairment in the year	-	-
At the end of the year	<u>10,108</u>	<u>13,884</u>

The impairment charge of \$723,000 and \$393,000 on investment in subsidiaries recognised in 2021 relates to impairment of the company's investments in E D & F Man Mexico SA De CV and E D & F Man Participacoes Financeiras Ltda respectively. The estimates were based on estimates of the future recoverable value of the investments.

The \$900,000 addition relates to the re-capitalisation of E D & F man Mexico SA De CV.

The \$3,560,000 reduction relates to the net asset value of E D & F Man Switzerland on date of disposal.

The impairment charge of \$491,000 on investment in subsidiaries recognised in 2020 relates to impairment of the company's investment in E D & F Man Metals Limited. The estimates were based on estimates of the future recoverable value of the investments. E D & F Man Metals Limited ceased trading on 31 December 2017, and returned \$3,985,100 of its capital in the form of a dividend to the parent during 2020.

These wholly-owned investments are listed below. The country of operation is the same as the country of incorporation and the Balance Sheet date is 30 September unless otherwise stated. The nature of all the business is financial services.

Subsidiary	Accounting Reference Date	Country of Incorporation
E D & F Man Capital Markets MENA Limited		Dubai
E D & F Man Metals Limited		England & Wales
Holco Man Limited		England & Wales
E D & F Man Capital Markets (Singapore) Pte Ltd		Singapore
E D & F Man Capital Markets Mexico SA de CV	31 December	Mexico
E D & F Man Capital Markets Hong Kong Limited		Hong Kong
E D & F Man Participacoes Financeiras Ltda		Brazil

In August 2021, E D & F Man Capital Markets Nominees Limited, a company incorporated in England and Wales, was dissolved.

In January 2020, E D & F Man Capital Markets Hong Kong Limited repaid share capital of HKD 27.5 million (USD equivalent 3,538,000).

On 12 July 2019, the Company increased its investment in E D & F Man Participacoes Financeiras Ltda by BRL 10m (USD equivalent 2,666,000).

Included in the above are investments in subsidiaries held for sale, amounting to \$2,411,000 (2020: \$5,972,000). This relates to the investments in E D & F Man Switzerland Limited and E D & F Man Participacoes Financeiras Ltda. The first entity was sold on 31 December 2020 resulting in a gain on disposal of \$1,840,000. The second entity was sold at net asset value on 8 October 2021 for \$1,890,000 and therefore no gain or loss is expected.

E D & F MAN FINANCIAL SERVICES HOLDINGS LIMITED

Notes to the Financial Statements (continued)

9. Debtors

	2021 \$'000	2020 \$'000
Other debtors	4,190	-
Amounts owed from group undertakings	1,585	-
Other taxes and social security	1	46
	<u>5,776</u>	<u>46</u>

Other debtors relates to the promissory note and deferred consideration arising from the sale of ED&F Man Switzerland.

10. Creditors

	2021 \$'000	2020 \$'000
Amounts owed to group undertakings	11,441	16,670
Corporation tax payable	-	18
	<u>11,441</u>	<u>16,688</u>

All amounts owed to group undertakings are payable on demand.

11. Share capital

	USD '000
As at 30 September 2020 and at 30 September 2021	<u>7,650</u>

These represent 7,650,000 shares of \$1 each, issued on incorporation.

12. Events after the Balance Sheet date

In the prior year, the Company signed a Sale and Purchase Agreement to sell one of its subsidiaries, E D & F Man Participacoes Financeiras Ltda, at Net Book Value, contingent on obtaining regulatory approval in Brazil. This was granted during the year and the Sale and Purchase Agreement became effective on 8 October 2021.

13. Ultimate parent undertaking

The immediate and ultimate parent undertaking is E D & F Man Holdings Limited, a company registered in England and Wales. The financial statements of E D & F Man Holdings Limited are available from:

E D & F Man Holdings Limited
3 London Bridge Street
London
SE1 9SG

The smallest group of undertakings of which the Company is a member that draws up group financial statements is that of E D & F Man Holdings Limited.