

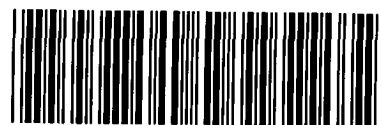
Company Registration No. 08889156

Glencore Sugar Trading Ltd

Annual Report and Financial Statements

31 December 2017

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Glencore Sugar Trading Ltd

Annual report and financial statements 2017

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Glencore Sugar Trading Ltd

Officers and professional advisers

Directors

M A Roy

M J Rembaum (*Resigned 24 July 2017*)

F A H Dupui (*Appointed 24 July 2017*)

J D Maw (*Appointed 20 July 2018*)

Secretary

N Reid (*Resigned 20 July 2018*)

S P Pujara (*Appointed 20 July 2018*)

Registered office

Warren House, Bell Lane

Thame

OX9 3AL

Auditor

Deloitte LLP

Statutory Auditor

London, United Kingdom

Glencore Sugar Trading Ltd

Strategic report

The directors present their strategic report for the year ended 31 December 2017.

Organisation and principal activity

At October 1, 2017 all operations have been transferred from Glencore Sugar Trading Ltd ('the Company') to Glencore Agriculture B.V. The outstanding payables and receivables are mainly owed to and by group companies and will be settled in the Glencore Agriculture Limited Group.

The Company is a wholly-owned subsidiary of Plavax Limited.

The ultimate parent company is Glencore Agriculture Limited, a company incorporated in Jersey. The Company is fully consolidated into the results of Glencore Agriculture Limited.

The principal activity of the Company, until all operations were transferred to Glencore Agriculture B.V., was the purchase and sale of physical sugar as well as purchase and sale of sugar derivatives. Subsequent to this transfer, the remaining activities consist of settling the remaining payables and receivables with relevant parties. The future strategy of the Company is under consideration by the directors.

Business review

As shown in the statement of comprehensive income on page 7, the loss for the period, after taxation, was \$5,219,000 (2016: \$11,534,000 loss). Negative equity increased from \$ 10,723,000 to \$ 15,873,000. Volatility in the sugar market, as well as limited arbitrage opportunities, meant that the Company made losses on trading activities in the current year, although they are smaller compared to previous year.

As part of a corporate restructuring, the Company transferred all operation and employees to Glencore Agriculture B.V. The transfer of employees is completed in January 2018.

There have been no significant events since the balance sheet date that require disclosure or would cause any of the assets or liabilities reported in these financial statements to be restated.

Going concern & principal risks

The Company's operations are all transferred to Glencore Agriculture B.V. The remaining activities in the Company are mainly related to the financial settlement of outstanding receivables and payables for past activities. Because the Company ceased its trading operations, all main risks are also transferred to Glencore Agriculture B.V.

Because the company ceased its trading operations, the financial statements have been prepared on a basis other than that of going concern. Refer to Note 1 of the financial statements for further detail.

For the remaining open balance positions the Company is not exposed to significant non US Dollar exposure and these positions are monitored regularly to assess the need for hedging.

Liquidity risk is the risk that the Company is unable to meet its payment obligations, and is mitigated because outstanding payables and receivables are mainly owed to and by group companies and will be settled in the Glencore Agriculture Limited Group.

Our legal advisers provide essential advice and guidance to senior management on all business issues to ensure that our business is conducted in a manner that complies with all legal and regulatory requirements.

Approved by the Board of Directors
and signed on behalf of the Board



S P Pujara
Secretary
September 10, 2018

Glencore Sugar Trading Ltd

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

The strategic report starting on page 2 contains details of the principal activity of the Company and provides detailed information on the development of the Company's business during the year and details of exposure to risks and uncertainties and indications of likely future developments.

There have been no significant events since the balance sheet date that require disclosure or would cause any of the assets or liabilities reported in these financial statements to be restated.

Directors

The directors who held office during the period and up to the date of approval of this report are shown on page 1.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the period which remain in force at the date of this report.

Dividends

The directors recommend that no dividend be paid (2016: \$ nil) and that the loss be transferred to reserves.

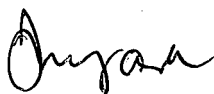
Disclose of information to auditor

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

1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. 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 auditor is aware of that information.

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

Approved by the Board of Directors
and signed on behalf of the Board



S P Pujara
Secretary
September 10, 2018

Glencore Sugar Trading Ltd

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Glencore Sugar Trading Ltd

Independent auditor's report to the members of Glencore Sugar Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Glencore Sugar Trading Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Glencore Sugar Trading Ltd

Independent auditor's report to the members of Glencore Sugar Trading Limited (continued)

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Christopher Jones FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
10 September 2018

Glencore Sugar Trading Ltd

Company Registration Number: 08889156

Statement of comprehensive income For the year ended 31 December 2017

Discontinued operations	Note	2017 \$'000	2016 \$'000
Revenue	2	191,313	149,911
Cost of Sales		(192,133)	(154,627)
Gross loss on trading activities		(820)	(4,716)
Service fees charged by group companies		(1,826)	(7,406)
Administrative expenses		(4,547)	(4,681)
Other operating income		22	(30)
Operating loss		(7,171)	(16,833)
Interest receivable and similar income	5	5,292	3,865
Interest payable and similar expenses	5	(3,162)	(938)
Loss before taxation		(5,041)	(13,906)
Tax on loss	6	(178)	2,372
Loss after taxation	3	(5,219)	(11,534)
<i>Other comprehensive loss</i>			
<i>Items which may be reclassified subsequently to profit or loss</i>			
Revaluation of listed investments		-	(2)
Reclassification to profit or loss on sale of asset or investment		-	(92)
Total other comprehensive loss		-	(94)
Total comprehensive loss		(5,219)	(11,628)

Glencore Sugar Trading Ltd

Company Registration Number: 08889156

Balance sheet

As at 31 December 2017

	Note	2017 \$'000	2016 \$'000
Non-current assets			
Trade and other receivables	7	-	88,648
		-	88,648
Current assets			
Trade and other receivables	7	7,617	66,754
Cash and cash equivalents		365	2,132
		7,982	68,886
Total assets		7,982	157,534
Current liabilities			
Trade and other payables	8	(23,855)	(168,257)
Net current liabilities		(15,873)	(99,371)
Total assets less current liabilities, being net liabilities		(15,873)	(10,723)
Equity			
Called up share capital	11	-	-
Capital contribution reserve	12	212	143
Retained earnings	12	(16,085)	(10,866)
Equity attributable to owners of the company		(15,873)	(10,723)

These financial statements were approved by the Board of Directors on September 10, 2018.

Signed on behalf of the Board of Directors



F A H Dupui

Director

Glencore Sugar Trading Ltd

Statement of changes in equity For the year ended 31 December 2017

	Called up share capital \$'000 (note 11)	Capital contribution reserve \$'000 (note 12)	Retained earnings \$'000 (note 12)	Total \$'000
As at 1 January 2016	-	-	762	762
Loss for the year	-	-	(11,534)	(11,534)
Equity settled share based payments (note 15)	-	143	-	143
<i>Other comprehensive loss for the year</i>				
Revaluation of investments	-	-	(2)	(2)
Reclassification to profit or loss on sale of asset	-	-	(92)	(92)
Total other comprehensive loss	-	-	(94)	(94)
As at 31 December 2016	-	143	(10,866)	(10,723)
Loss for the year	-	-	(5,219)	(5,219)
Equity settled share based payments (note 15)	-	69	-	69
As at 31 December 2017	-	212	(16,085)	(15,873)

Glencore Sugar Trading Ltd

Company Registration Number: 08889156

Statement of cash flows

For the year ended 31 December 2017

	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Operating loss	(7,171)	(16,833)
Decrease in receivables (note 7)	147,785	13,164
(Decrease) / Increase in payables (note 8)	(147,654)	18,470
Non-cash movement in net derivative balance	-	(16,796)
Share based payments (note 15)	69	143
Cash generated by operations	(6,971)	(1,851)
Interest paid	(86)	(98)
Interest received	5,290	3,304
Corporation tax paid (note 6)	-	(35)
Net cash (used in) / generated from operating activities	(1,767)	1,320
Cash flows from investing activities		
Dividends Received	-	4
Proceeds on disposal of investments	-	808
Net cash generated from investing activities	-	812
(Decrease) / Increase in cash and cash equivalents	(1,767)	2,132
Cash and cash equivalents at beginning of the year	2,132	-
Cash and cash equivalents at end of year	365	2,132

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

1. Accounting policies

Glencore Sugar Trading Ltd is a private limited (by shares) company incorporated in England and Wales. The address of the registered office is Warren House, Bell Lane, Thame, OX9 3AL.

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, as modified by the inclusion of financial instruments and listed investments at fair value.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 2.

The Company's operations are all transferred to Glencore Agriculture B.V at 31 December 2017. The remaining activities in the Company are mainly related to the financial settlement of outstanding receivables and payables for past activities. Because the Company ceased its trading operations, the financial statements have been prepared on a basis other than that of going concern which includes, where appropriate, writing down the entity's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting period.

Adoption of new and revised Standards

New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following new and revised IFRS standards, which are applicable to the Company, were issued but are not yet effective:

IFRS 2 – *Share-based payment* – effective for year ends beginning on or after 1 January 2018.

The amendments to IFRS 2 Share-based payments clarify the classification and measurement of share-based payments transactions with respect to accounting for cash-settled share-based payment transactions that include a performance obligation, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The Company has assessed the impact of the change on its consolidated financial statements and it does not expect any material impact.

IFRS 9 – *Financial Instruments* – effective for year ends beginning on or after 1 January 2018

IFRS 9 will supersede IAS 39 'Financial Instruments: Recognition and Measurement' and covers classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting. The Company has assessed the impact of the change on its consolidated financial statements and it does not expect any material impact.

IFRS 15 – *Revenue from Contracts with Customers* – effective for year ends beginning on or after 1 January 2018

IFRS 15 applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognise revenue and the related cash flows. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The standard introduces a 5-step approach to revenue recognition. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

obligation is transferred to the customer. The Company has assessed the impact of the change on its consolidated financial statements and it does not expect any material impact.

Currency of financial statements

As the Company undertakes the majority of its trading transactions in US dollars, which is its functional currency, these financial statements have been prepared in that currency.

Revenue

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods and services provided and gains and losses from trading in sugar derivatives, net of discounts, VAT and other related taxes.

All other charges for purchases, including delivery and hedging on terminal markets and all credits for sales and other charges to customers (with the exception of foreign exchange gains and losses, which are dealt with in accordance with the policy on foreign currencies below) are recognised when all significant risks and rewards of ownership of the assets sold are transferred from the seller to the buyer.

All traded instruments are evaluated with reference to market prices prevailing at the balance sheet date. Unrealised gains and losses on valuation of traded instruments are recognised in profit and loss.

All assets and liabilities have been disclosed gross unless the Company currently has a legally enforceable right of offset and intends to settle net.

Operating loss

Operating loss is stated after charging trading cost and overhead expenses but before interest and similar income and expenses.

Interest receivable, payable and similar income or expenses

Income and expenses are measured at nominal value.

Foreign currencies

Transactions during the period in currencies other than US dollars are translated into US dollars at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in currencies other than US dollars are translated into US dollars at the rates ruling on the balance sheet date. Exchange adjustments are dealt with in profit and loss in the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks.

Receivables and payables

Receivables and payables (including amounts owed by and to group companies) are measured at fair value. Appropriate allowances for estimated irrecoverable receivable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

Share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date, fair value excludes the effect of non market based vesting conditions. The fair value is charged to the statement of income and credited to retained earnings (unless the share based payments are settled by Glencore Plc in their equity in which case it is credited as a capital contribution by Glencore Plc) on a straightline basis over the period the estimated number of awards are expected to vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings (or capital contribution as appropriate).

Derivative financial instruments

The Company enters into derivative financial instruments, such as commodity futures and options and commodity swaps, for trading purposes. All derivative instruments are classified as fair value through profit or loss and are measured at fair value upon initial recognition and are re-measured to fair value at each subsequent reporting date. Movements in fair value of derivative instruments are recognised in profit and loss.

Derivative financial instruments receivable and payable (including amounts owed by and to group companies) are measured at fair value. Receivables and payables are offset and the net amount presented in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or to realise the receivable and settle the payable simultaneously.

Taxation

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end on expected current taxable income, and any adjustment to tax payable in respect of previous years. The Company assesses its liabilities and contingencies for all years based upon the latest tax information available. Where it is probable that an adjustment will be made, the Company records a tax liability, including related interest charges. The Company believes it has adequately provided for the outcome of all tax matters, but future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the final assessments are made. Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, using enacted or substantively enacted income tax rates which are expected to be effective at the time of reversal of the underlying temporary difference. Deferred tax assets and unused tax losses are only recognised to the extent that their recoverability is probable.

Deferred tax assets are reviewed at reporting period end and amended to the extent that it is no longer probable that the related benefit will be realised. To the extent that a deferred tax asset not previously recognised but which subsequently fulfils the criteria for recognition, an asset is then recognised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and the Company has both the right and the intention to settle its current tax assets and liabilities on a net or simultaneous basis. The tax effect of certain temporary differences is not recognised principally with respect to the initial recognition of an asset or liability (other than those arising in a manner that initially impacted accounting or taxable profit).

Current and deferred tax is recognised as an expense or income in profit and loss, except when they relate to items that are recognised outside profit and loss (whether in other comprehensive income or directly in equity).

Critical accounting judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances, independent estimates, quoted market prices and common, industry standard modelling techniques. Actual outcomes could result in a material adjustment to the carrying amount of assets or liabilities affected in future periods. The directors have not identified any critical judgements of areas of significant estimation uncertainty in preparing these accounts.

2. Revenue

Revenue represents the invoiced value of delivered commodity contracts, excluding VAT.

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

3. Loss for the year

	2017 \$'000	2016 \$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration – audit fees	22	21
– taxation compliance services	-	2
Net loss on foreign exchange differences	22	30
	<u>22</u>	<u>30</u>

4 Directors' and employees' remuneration

	2017 \$'000	2016 \$'000
Staff costs		
Wages, salaries and benefits	1,878	1,950
Share-based payments	69	143
Social security costs	290	264
Pension costs – defined benefit	-	45
Pension costs – defined contribution	173	134
	<u>2,410</u>	<u>2,536</u>

The Company has no obligation to the pension fund after transferring the employees to Glencore Agriculture B.V.

Monthly average number of persons employed	2017	2016
Trading	7	8
Operations	2	2
General	2	3
	<u>11</u>	<u>13</u>

Key management personnel compensation	2017 \$'000	2016 \$'000
Short term employee benefits	505	536
Company contributions to defined contribution pension schemes	61	33
	<u>566</u>	<u>569</u>
Emoluments of the highest paid Director	<u>257</u>	<u>298</u>

All of the above key management personnel compensation relates to directors.
The highest paid director did not exercise any share options in the year and had no shares receivable under long-term incentives schemes.

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

5 Interest receivable and payable and similar income and expense

	2017 \$'000	2016 \$'000
Interest receivable from others	33	8
Interest receivable from group companies and associates	5,259	3,738
Income from investments	-	4
Profit on disposal of investment	-	115
	<u>5,292</u>	<u>3,865</u>
Interest payable on bank loans and overdrafts	86	98
Interest payable to group companies	<u>3,076</u>	<u>840</u>
	<u>3,162</u>	<u>938</u>

6. Tax on loss

(a) Analysis of tax charge/ (credit)

	2017 \$'000	2016 \$'000
United Kingdom corporation tax at 19% / 20% (2016: 20%) based on the loss for the period	-	3
Current tax charge for the period	-	3
Current tax (credit) – prior periods	(53)	-
Deferred tax (credit) for the period	-	(2,375)
Deferred tax charge– prior periods	231	-
Total tax charge/(credit) for the period	<u>178</u>	<u>(2,372)</u>

(b) Factors affecting tax charge/ (credit) for the current period

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK of 19% / 20% (2016: 20%).

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

	2017 \$'000	2016 \$'000
Loss before tax	(5,041)	(13,906)
Tax at 19% / 20% (2016: 20%)	(970)	(2,781)
Effects of:		
Expenses not deductible/income not taxable for tax purposes	54	383
Adjustments relating to prior periods	178	3
Group relief surrendered for nil consideration	916	-
Tax on items reclassified	-	23
Total tax charge/ (credit) for the period	178	(2,372)

On 18 November 2015, proposals to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 were enacted into UK law. Revised legislation was introduced in the Finance Bill 2016 and enacted at the balance sheet date, to reduce the main rate of corporation tax from 17%, instead of 18%, from 1 April 2020.

7. Trade and other receivables

	2017 \$'000	2016 \$'000
Amounts due within one year:		
Trade receivables	54	15,967
Amounts owed by group companies and associates	7,259	32,681
Derivative financial instruments – third parties (note 9)	-	16,357
Derivative financial instruments – group companies and associates	-	1,591
Other receivables	304	158
	<u>7,617</u>	<u>66,754</u>
Amounts due after one year:		
Amounts owed by group companies and associates	-	86,250
Deferred tax (note 10)	-	2,398
	<u>-</u>	<u>88,648</u>

The amounts owed by group companies and associates consist mainly of the allocation of cost and therefore hold no interest rate or any securities. These amounts are repayable on demand.

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

8. Trade and other payables

	2017	2016
	\$'000	\$'000
Trade payables	2,650	29,857
Amounts owed to group companies and associates	20,967	124,795
Derivative financial instruments – third parties (note 9)	-	12,764
UK corporation tax	-	146
Other payables	157	211
Accrued income	81	484
	<u>23,855</u>	<u>168,257</u>

The amount owed to group companies and associates consist mainly of an unsecured loan from Glencore Agriculture Finance B.V. at Libor + 1.15%, the loan could be ended by both parties earliest December 31, 2018.

9. Financial instruments

Derivative financial instruments, cash and cash equivalents, and receivables and payables are the major classes of financial instruments to which the Company was exposed.

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds at an acceptable price to fund actual or proposed commitments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents through the availability of adequate funding sources. The main funding source of the Company is Glencore Agriculture group facilities and support. Therefore the Company always ensures that sufficient liquid funds are maintained in order to meet liquidity requirements.

Derivative financial instruments

The Company traded derivative financial instruments including commodity futures and options, and physical commodity trading contracts (physical forwards). The fair value of the derivative financial instruments at the balance sheet date is shown below. Because of the transfer of all trading activities to Glencore Agriculture BV. The Company does not have open futures of physical contracts as per ending balance sheet date.

Offsetting of financial assets and liabilities

In accordance with IAS 32 the Company reports financial assets and liabilities on a net basis in the balance sheet only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

It is the Company's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

Fair value measurement

Quoted bid prices in an active market, have been used to determine the fair value of derivative financial instruments at the balance sheet date, and where not quoted, are referenced to market prices as quoted by reputable 3rd party brokers. Accordingly all futures and options are considered to be valued at level 1 (Unadjusted quoted prices in active markets for identical assets or liabilities) in the IFRS 13 fair value hierarchy, and all physical forwards are considered to be valued at level 2 (inputs other than quoted prices included in Level 1 that are directly or indirectly observable in the market) in the IFRS 13 fair value hierarchy.

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

	2017 \$'000	2016 \$'000
Financial assets		
Commodity futures and options – third parties	-	15,096
Commodity physical forwards – third parties	-	1,261
Commodity physical forwards – group companies and associates	-	1,591
	<u>-</u>	<u>17,948</u>

	2017 \$'000	2016 \$'000
Financial liabilities		
Commodity futures and options – third parties	-	12,356
Commodity physical forwards – third parties	-	408
	<u>-</u>	<u>12,764</u>

10. Deferred tax

Movement on deferred tax balance in the year:

	Tax losses \$'000
At 31 December 2016	(2,398)
Prior year adjustment (profit and loss)	231
Prior year adjustment (reclassification)	2,167
	<u>-</u>
At 31 December 2017	<u>-</u>

11. Called up share capital

	2017 \$	2016 \$
Authorised, allotted and fully paid		
100 ordinary shares of £1 each	<u>166</u>	<u>166</u>

12. Reserves

A description of each reserve is set out below.

Retained Earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders. This account also includes revaluation of listed investments.

Capital contribution reserve

This reserve relates to the cumulative equity settled share based payment charge relating to shares of Glencore plc, a non-controlling shareholder of Glencore Agriculture Limited, and previously ultimate parent of Glencore Sugar Trading Limited, less amounts transferred to another reserve.

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

13. Immediate and ultimate parent company

The immediate parent company is Plavax Limited, a company incorporated in Jersey and registered in Jersey.

The ultimate parent and controlling company is Glencore Agriculture Limited, a company incorporated in Jersey with registered offices at 22 Grenville Street, St Helier, Jersey, JE4 8PX which is a Joint Venture between Glencore International AG, and two Canadian Pension Funds, Canada Pension Plan Investment Board and British Columbia Investment Management Corporation. The Company is fully consolidated into the results of Glencore Agriculture Limited, which is not publicly available

14. Related party transactions and balances

Transactions with related parties that are not wholly owned group companies are shown below. Group companies are companies which, together with Glencore Sugar Trading Ltd form the new Glencore Agriculture Limited group. Associates are companies which were fellow subsidiaries in the Glencore plc group during the prior period and to 1 December 2016, and following the demerger of Glencore Agriculture Limited are now considered associates. Transactions with key management personnel are disclosed in Note 4.

Nature of transactions

All related party transactions were executed on normal commercial terms and conditions. The nature of the transactions with related parties was sales and purchases of physical sugar and sugar derivatives.

Value of transactions

Group Companies	2017 \$'000	2016 \$'000
Purchases of physical commodities	(115,925)	(89,395)
Other costs of trading in physical commodities	-	(381)
Interest receivable from group companies	5,258	3,738
Interest payable to group companies	(3,076)	(840)
Service fees payable	(1,557)	(1,111)

Value of transactions

Associates	2017 \$'000	2016 \$'000
Service fees receivable	-	4,646
Service fees (payable)	-	(7,833)

Balances with related parties

The following were the balances with related parties at the end of the year. They are shown on an aggregate basis.

Glencore Sugar Trading Ltd

Notes to the financial statements For the year ended 31 December 2017

	2017 \$'000	2016 \$'000
Amounts owed by group companies	5,086	118,931
Amounts owed to group companies	(20,677)	(124,428)
Amounts owed by associates	2,173	-
Amounts owed to associates	(290)	(367)

15. Share-based payments

Under the Glencore Performance Share Plan (PSP), participants are awarded PSP awards which vest in annual tranches over a specified period, subject to continued employment and forfeiture for malus events. At grant date, each PSP award is equivalent to one ordinary share of Glencore plc. The awards vest in three equal tranches on 30 June of the years following the year of grant. The fair value of the awards is determined by reference to the market price of Glencore plc's ordinary shares at grant date. The PSP awards may be satisfied, at Glencore plc's option, in shares by the issue of new ordinary shares, by the transfer of ordinary shares held in treasury or by the transfer of ordinary shares purchased in the market or in cash, with a value equal to the market value of the award at vesting, including dividends paid between award and vesting. Glencore PLC currently intends to settle these awards in shares.

PERFORMANCE SHARE PLAN	Fair value (thousands USD)	Numbers of shares outstanding 2016 (thousands)	Numbers of shares outstanding 2017 (thousands)	Expense recognised 2016 (thousands USD)	Expense recognised 2017 (thousands USD)
2013 Series	0	0	0	13	0
2014 Series	98	37	18	70	35
2015 Series	80	95	63	60	34
Total	178	131	81	143	69