



**Argent Energy Limited**

Annual report and financial  
statements

Registered number 05455240

31 December 2020

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## Company information

**Directors**            A W Dane (resigned 9<sup>th</sup> July 2020)  
                             N Dean  
                             E P Rietkerk  
                             H Matthews (resigned 30<sup>th</sup> September 2020)  
                             D W Posnett  
                             M W Scott  
                             C H Acton (appointed 6<sup>th</sup> January 2020)  
                             D W Rabelink (appointed 6<sup>th</sup> January 2020)

**Secretary**            D C Morris

**Company number** 05455240

**Registered office** Swire House  
59 Buckingham Gate,  
London,  
SW1E 6AJ

**Auditor**                KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

**Banker**                HSBC Bank Plc  
141 Bothwell Street  
Glasgow  
G2 7EQ

## Strategic report

The directors present their strategic report for the year ended 31 December 2020.

### Principal activity and business review

The principal activity of the Company is a waste to energy feedstock preparation and biodiesel manufacturing and distribution business, operating from a plant near Ellesmere Port in England. There were 74,000 tonnes of biodiesel produced in the year (2019: 65,000).

The Company is part of the Argent Energy group, headed by Argent Energy Holdings Limited. The Company is ultimately wholly owned by John Swire & Sons Limited and therefore has access to the resources required to fund ongoing operations and any future expansion of the business.

The directors have reviewed the Group's forecasts and projections taking account of normal fluctuations in trading performance and the impact of Covid-19 and have concluded the Company is well placed to manage its financial position.

As part of a simplification of the legal entity structure of its UK operations, on 1<sup>st</sup> January 2019, the trade and assets of Argent Oil Terminal Limited were transferred to Argent Energy Limited.

Key financial and non-financial performance indicators include the following:

|                      | 2020    | 2019    | Measure                              |
|----------------------|---------|---------|--------------------------------------|
| <b>Financial</b>     |         |         |                                      |
| Gross Margin         | 0.5%    | 0.2%    | Gross profit (loss) /turnover        |
| Operating Margin     | (2.3%)  | (2.3%)  | Operating profit (loss) /turnover    |
| EBITDA               | (£2.9m) | (£2.1m) | Operating (Loss) before Depreciation |
| <b>Non-financial</b> |         |         |                                      |
| Production (litres)  | 85m     | 75m     | Litres produced in the year          |

### Principal business risks

The principal risks and uncertainties affecting the business and development plans include the following:

**Health and Safety:** The Company continues to seek ways of ensuring that a safe and healthy working environment is progressively improved. This is a critical measure of success on the Company dashboard. Continued investment in training and infrastructure supports the ambition.

**Covid-19:** The Covid-19 pandemic has impacted on the pricing and demand for fuel products as well as operations and supply chains across the world. The Company responded well to the pandemic and has traded successfully throughout the lockdowns. This experience has been taken into consideration when forecasting future performance. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including the potential impact of Covid-19, the Company will have sufficient funds, including where required through funding from its immediate parent.

**Political and social commitment to decarbonisation:** The Company is supported by legislation and government declarations of ongoing commitment to decarbonisation in the road transport market. Argent is represented at a senior level on governmental and trade bodies. The Company continues to advertise the high sustainability of its biodiesel.

**Risks of plant failure:** The Company's biodiesel plant is operated by a sophisticated software system and controlled by trained and experienced employees. Continued focus on plant reliability, combined with business continuity planning, should enable the plant to minimise the impact of any unplanned outages.

**Raw material availability and prices:** The Company monitors raw material sources on a global basis and negotiates forward purchase contracts where appropriate with key suppliers. However, the cyclical nature of the feedstock market and any shortages of supply of the feedstock required to manufacture biodiesel may lead to volatile changes in raw material prices.

## Strategic report (continued)

**Foreign exchange fluctuations:** The Company is indirectly exposed to foreign exchange risk, in particular in relation to the US dollar and the Euro. The Company monitors exchange rates and has a policy of hedging against exposure to material currency fluctuations whenever appropriate.

### **Directors' Section 172 Statement:**

The board of directors have collectively and individually promoted the Company's success for its shareholders during the financial year ending 31<sup>st</sup> December 2020. Working together, we continue to develop our strategy and processes to serve the sustainable fuel market and secure the long-term growth of the Argent group of companies.

### **Our purpose, strategy and consideration of the long-term consequences of decisions:**

Our short-term strategy has been developed to provide clarity on critical business objectives and the key measures of success, delivering increased profitability from our existing portfolio. A Group Leadership Team has been created to ensure the business derives benefit from its presence in multiple locations and draws upon the functional expertise of its leaders. The longer-term strategy places the Company in a position to deliver business growth through new markets and alternative technologies. A decision by the Group to invest in substantial growth of the Amsterdam facility will come into effect in 2022.

### **Engaging with employees:**

Employee safety and well-being remains our top priority. During the year, an employee survey was conducted to generate insightful feedback on how we can continue to improve the Company and deliver increased employee engagement. The annual appraisal process and remuneration system enables us to reward good performance. New methods of communication have been trialled throughout the lockdown to maintain the information flow and leadership visibility.

### **Fostering business relationships with suppliers, customers and others:**

Relationships with the supply chain are key to securing continued supplies of various waste-streams for processing into biodiesel. We have actively expanded our reach to seek out and develop a wider network of relationships.

### **Operational impact on community and environment:**

Argent remains respectful of the communities in which it operates. Our objectives and key performance measures consider our impact on the environment. We actively support other businesses with a commitment to sustainability through our approach to procurement.

### **Energy use and carbon emissions**

The Company's energy use and carbon emissions data is included in the group energy and carbon report of its ultimate parent undertaking, John Swire & Sons Limited, which is presented in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. As such, the directors have not included a separate energy and carbon report for the Company in this Annual Report.

### **Maintaining a reputation for high standards of business conduct:**

The board of directors are committed to behaving responsibly and maintaining the reputation of the business through impeccable conduct and good governance. We expect the same high standards of our workforce.

### **Behaving responsibly to our shareholders:**

The board of directors behaves responsibly to its shareholder through good governance, sharing high quality information and regularly discussing business developments.

## **Strategic report (continued)**

### **Financial instruments**

The directors will continue to act in accordance with the policy on financial instruments to reflect the ongoing requirements of the business.

**By order of the board**

A handwritten signature in black ink, appearing to read 'N. Dean', with a stylized flourish at the end.

**N Dean**

*Director*

*8<sup>th</sup> June 2021*

## Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2020.

### Results and dividends

The operating loss for the year after depreciation amounted to £9,383,000 (2019: £8,429,000). EBITDA (defined as operating loss before depreciation) was £2,925,000 (2019: £2,079,000), with a fall in ultra-low sulphur diesel prices impacting results for the year.

No dividend was paid during the year (2019: £nil).

### Directors

The directors who held office during the year and to the date of this report are as follows:

A W Dane (resigned 9<sup>th</sup> July 2020)

N Dean

E P Rietkerk

H Matthews (resigned 30<sup>th</sup> September 2020)

D W Posnett

M W Scott

C H Acton (appointed 6<sup>th</sup> January 2020)

D W Rabelink (appointed 6<sup>th</sup> January 2020)

### Employees

The Company takes its responsibilities to its employees seriously. It is committed to equality and opportunity and aims to treat all of its employees fairly in every aspect of employment. It is committed to giving employees the opportunity to maximise their potential through development discussions and investment in training.

### Environmental policy

The Company regards compliance with relevant environmental laws and the adoption of responsible standards as integral parts of its business operations. It is also committed to introducing measures to limit any adverse effects its business may have on the environment and will promote continuous improvement in accordance with the best available techniques.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Political contributions

No contributions to charitable or political organisations were made during the year (2019: £nil) nor was any political expenditure incurred (2019: £nil).

### Engagement with suppliers, customers and others in a business relationship with the Company

Relationships with the supply chain are key to securing continued supplies of various waste-streams for processing into biodiesel. We have actively expanded our reach to seek out and develop a wider network of relationships.

Delivering quality product to valued customers remains a critical success factor. During the year, the Company maintained 100% production levels and sold all available output.

The business maintains relationships with the banking community and retains 3rd party investment to support continued business growth.

## **Directors' report (continued)**

### **Legal Entity Simplification and Balance Sheet Restructure**

As part of a simplification of the legal entity structure of its UK operations, on 1<sup>st</sup> January 2019, the trade and assets of Argent Oil Terminal Limited were transferred to Argent Energy Limited.

### **Future Events**

#### **Covid-19:**

The Company has undertaken a comprehensive assessment of ongoing risks associated with Covid-19, including both industry and entity risk factors. Specific areas considered included customers, counterparty, supply chain, employees, financing, regulation and other relevant factors. Business performance during the lockdowns demonstrated successful management of the risks, with the Company maintaining production without interruption and achieving strong sales.

The Covid-19 position has been regularly reviewed and discussed by both the executive management team and the board of the parent company, Argent Energy Holdings Limited.

#### **Brexit:**

The Company has considered the post Brexit impacts in the following key areas:

Impact of Brexit on Sales – The achievement of a trade agreement has eliminated the risk of potential tariffs on the sale of product into Europe.

Impact of Brexit on Sourcing - Increasing feedstocks are being imported internationally. There is just one remaining issue which is being addressed with the EU which is affecting the import of tallow into the UK.

Renewable Transfer Fuel Obligation ("RTFO"): - Has not been affected by Brexit, with the government continuing to support decarbonisation and increased biofuel blending.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

#### **By order of the board**



**N Dean**  
Director  
8<sup>th</sup> June 2021

Swire House,  
59 Buckingham Gate,  
London, SW1E 6AJ



## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Argent Energy Limited**

### **Opinion**

We have audited the financial statements of Argent Energy Limited ("the Company") for the year ended 31 December 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARGENT ENERGY LIMITED (continued)**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because transactions are not complex and there is no judgement involved in recognising revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and those posted with an unexpected description.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARGENT ENERGY LIMITED (continued)**

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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[.]/[; or

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

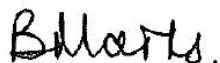
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARGENT ENERGY LIMITED (continued)**

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Bruce Marks (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

319 St Vincent Street  
Glasgow  
G2 5AS

Date: 9 June 2021

**Profit and loss account and Other Comprehensive Income**  
**for the year ended 31 December 2020**

|                                       | <i>Note</i> | <b>2020</b><br><b>£000</b> | 2019<br>£000 |
|---------------------------------------|-------------|----------------------------|--------------|
| <b>Turnover</b>                       | <b>2</b>    | <b>409,466</b>             | 357,984      |
| Cost of sales                         |             | <b>(407,361)</b>           | (357,196)    |
| <b>Gross profit</b>                   |             | <b>2,105</b>               | 788          |
| Distribution costs                    |             | <b>(8,264)</b>             | (8,239)      |
| Administrative expenses               |             | <b>(3,224)</b>             | (1,926)      |
| Other operating income                |             | -                          | 948          |
| <b>Operating loss</b>                 | <b>3</b>    | <b>(9,383)</b>             | (8,429)      |
| Interest payable and similar expenses | <b>6</b>    | <b>(166)</b>               | (1,964)      |
| Interest receivable and similar       | <b>7</b>    | <b>1,348</b>               | 140          |
| <b>Loss before taxation</b>           |             | <b>(8,201)</b>             | (10,253)     |
| Taxation                              | <b>8</b>    | <b>315</b>                 | 370          |
| <b>Loss for the financial year</b>    |             | <b>(7,886)</b>             | (9,883)      |

The results for the year are derived wholly from continuing operations.

The Company had no Other Comprehensive Income during the year other than the loss as set out above.

Notes on pages 15 to 26 form part of these financial statements.

**Balance sheet**  
**as at 31 December 2020**

|   | Note | 2020<br>£000    | 2019<br>£000     |
|---|------|-----------------|------------------|
| <b>Fixed assets</b>                                   |      |                 |                  |
| Tangible assets                                       | 9    | 97,368          | 99,821           |
| Goodwill  | 10   | 4,850           | 4,850            |
|   |      | <u>102,218</u>  | <u>104,671</u>   |
| <b>Current assets</b>                                 |      |                 |                  |
| Intangible Assets                                     | 11   | 9,661           | 5,712            |
| Stocks  | 12   | 16,764          | 20,480           |
| Debtors   | 13   | 17,828          | 47,746           |
| Cash in hand  |      | 17,457          | 3,724            |
|   |      | <u>61,710</u>   | <u>77,662</u>    |
| <b>Creditors: amounts falling due within one year</b> | 14   | <u>(93,019)</u> | <u>(103,538)</u> |
| <b>Net current liabilities</b>                        |      | <u>(31,309)</u> | <u>(25,876)</u>  |
| <b>Total assets less current liabilities</b>          |      | <u>70,909</u>   | <u>78,795</u>    |
| <b>Net assets</b>                                     |      | <u>70,909</u>   | <u>78,795</u>    |
| <b>Capital and reserves</b>                           |      |                 |                  |
| Called up share capital                               | 15   | 115,000         | 115,000          |
| Profit and loss account                               |      | <u>(44,091)</u> | <u>(36,205)</u>  |
| <b>Shareholders' funds</b>                            |      | <u>70,909</u>   | <u>78,795</u>    |

Notes on pages 15 to 26 form part of these financial statements.

These financial statements were approved by the board of directors on 8<sup>th</sup> June 2021 and were signed on its behalf by:



**N Dean**  
Director

Company registered number: 05455240

## Statement of Changes in Equity

|  | Called up<br>share capital<br>£000 | Profit and<br>loss account<br>£000 | Total<br>equity<br>£000 |
|--|------------------------------------|------------------------------------|-------------------------|
| Balance at 1 January 2019                      | -                                  | (26,322)                           | (26,322)                |
| Issues Share Capital                           | 115,000                            | -                                  | 115,000                 |
| <b>Total comprehensive income for the year</b> |                                    |                                    |                         |
| Loss for the financial year                    | -                                  | (9,883)                            | (9,883)                 |
| Total comprehensive loss for the year          | -                                  | (9,883)                            | (9,883)                 |
| <b>Balance at 31 December 2019</b>             | <b>115,000</b>                     | <b>(36,205)</b>                    | <b>78,795</b>           |

|  | Called up<br>share capital<br>£000 | Profit and<br>loss account<br>£000 | Total<br>equity<br>£000 |
|--|------------------------------------|------------------------------------|-------------------------|
| Balance at 1 January 2020                      | 115,000                            | (36,205)                           | 78,795                  |
| <b>Total comprehensive income for the year</b> |                                    |                                    |                         |
| Loss for the financial year                    | -                                  | (7,886)                            | (7,886)                 |
| Total comprehensive loss for the year          | -                                  | (7,886)                            | (7,886)                 |
| <b>Balance at 31 December 2020</b>             | <b>115,000</b>                     | <b>(44,091)</b>                    | <b>70,909</b>           |

The Notes on pages 15 to 26 from part of these financial statements.



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Argent Energy Limited (the "Company") is a private company incorporated, domiciled and registered in England, UK. The registered number is 05455240 and the Company's registered address is Swire House, 59 Buckingham Gate, London, SW1E 6AJ.

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

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006. ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, John Swire & Sons Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of John Swire & Sons Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 59 Buckingham Gate, London, SW1E 6AJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations of tangible fixed assets.
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of John Swire & Sons Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.2 Going concern**

Notwithstanding net current liabilities of £31,309,000 as at 31 December 2020 and a loss for the year then ended of £7,886,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its immediate parent, Argent Energy Holdings Limited to meet its liabilities as they fall due for that period. These forecasts have subsequently been stress-tested to include severe but plausible downsides to reflect the impact of the COVID-19 crisis which have taken into account reductions in revenue and the increased costs that the Company is likely to incur in order to maintain the continuity of business. Argent Energy Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors have considered the impact of COVID-19 and are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **1.3 Classification of financial instruments issued by the Company**

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **1.4 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### 1.6 Employee benefits

##### *Defined contribution plans and other long-term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### 1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under the finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The Land on which the plants are located is leased from Essar Oil UK Limited on a 25 year lease. Owned land is not depreciated. The estimated useful lives are as follows:

- Buildings - over 25 years
- Plant, machinery and vehicles - over 4 to 20 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.8 Intangible assets**

The Company has utilised the Renewable Transport Fuel Obligation (RTFO) scheme since the Company commenced trading. It is able to obtain certificates for every litre of biodiesel it sells duty paid for transport use. These certificates can be sold to obligated parties who have a shortfall in the reporting period.

Certificates generated during the period are recognised at market value. Certificates for which there is no active market are not recognised.

#### *Research and development*

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

#### **1.9 Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### **1.10 Revenue recognition**

Revenue is recorded at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of business. Revenue is shown net of Value Added Tax of goods and services provided to customers.

#### **1.11 Expenses**

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### **1.12 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.13 Borrowings**

Borrowings are initially stated at the fair value of the consideration received. Finance costs are charged to the profit and loss account over the term of the borrowings so as to represent a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than twelve months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

#### **1.14 Impairment excluding stocks and deferred tax assets**

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

#### **1.15 Leases**

IFRS 16 has been applied and requires that upon lease commencement, for all leases, a lessee recognises a right-of-use asset and a lease liability subject to two exemptions ('low-value assets' and short-term leases). This has resulted in the Company's operating leases being reflected as an asset as shown in Note 9 below, with a corresponding lease liability.

## Notes (continued)

### 2 Turnover

Turnover is attributable to one continuing activity, namely the production of renewable forms of energy. All turnover arises from the Company's principle activity in the United Kingdom. Turnover by destination is analysed below based on customer location:

|                | 2020<br>£000   | 2019<br>£000   |
|----------------|----------------|----------------|
| United Kingdom | 404,369        | 321,042        |
| Europe         | 5,097          | 36,942         |
|                | <u>409,466</u> | <u>357,984</u> |

### 3 Expenses and auditor's remuneration

*Included in the loss are the following:*

|                              | 2020<br>£000 | 2019<br>£000 |
|------------------------------|--------------|--------------|
| Depreciation                 | 6,458        | 6,350        |
| Foreign exchange (gain)/loss | (1,254)      | 1,554        |
|                              | <u></u>      | <u></u>      |

*Auditor's remuneration:*

|                                     | 2020<br>£000 | 2019<br>£000 |
|-------------------------------------|--------------|--------------|
| Audit of these financial statements | 47           | 32           |
|                                     | <u></u>      | <u></u>      |

### 4 Staff numbers and costs

The average number of persons employed by the Company (excluding directors) during the year, analysed by category, was as follows:

|                               | Number of employees<br>2020 | 2019       |
|-------------------------------|-----------------------------|------------|
| Production and distribution   | 119                         | 114        |
| Management and administration | 26                          | 35         |
|                               | <u>145</u>                  | <u>149</u> |

## Notes (continued)

### 4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

|                       | 2020<br>£000 | 2019<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 6,826        | 5,825        |
| Social security costs | 669          | 646          |
| Other pension costs   | 251          | 209          |
|                       | <u>7,746</u> | <u>6,680</u> |

### 5 Directors Remuneration

The total remuneration received by directors for services to the Company during the year was £ Nil (2019: £ Nil). Directors of the Company were remunerated via Argent Energy (UK) Limited during the year. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective Group company employer to the qualifying services they provide to the Company.

### 6 Interest payable and similar expenses

|                           | 2020<br>£000 | 2019<br>£000 |
|---------------------------|--------------|--------------|
| Other interest – Bank     | 166          | 212          |
| Other interest – Group    | -            | 198          |
| Net foreign exchange loss | -            | 1,554        |
|                           | <u>166</u>   | <u>1,964</u> |

### 7 Interest receivable and similar income

|                             | 2020<br>£000 | 2019<br>£000 |
|-----------------------------|--------------|--------------|
| Interest receivable on bank | 101          | 140          |
| Other interest – Group      | 1            | -            |
| Net foreign exchange gain   | 1,246        | -            |
|                             | <u>1,348</u> | <u>140</u>   |

## Notes (continued)

### 8 Taxation

#### Total tax expense recognised in the profit and loss account

|  | 2020<br>£000 | 2020<br>£000 | 2019<br>£000 | 2019<br>£000 |
|--|--------------|--------------|--------------|--------------|
| <i>Current tax:</i>                            |              |              |              |              |
| Current tax on income for the period           |              | -            |              | -            |
| Adjustment in respect of prior year            |              | 104          |              | 3,161        |
|  |              | <hr/>        |              | <hr/>        |
| Total current tax                              |              | 104          |              | 3,161        |
| <i>Deferred tax (see note 16):</i>             |              |              |              |              |
| Origination and reversal of timing differences | 322          |              | (776)        |              |
| Adjustment in respect of prior periods         | (263)        |              | (2,851)      |              |
| Adjustments in tax rate                        | (478)        |              | 96           |              |
|  | <hr/>        |              | <hr/>        |              |
| Total deferred tax                             |              | (419)        |              | (3,531)      |
|  |              | <hr/>        |              | <hr/>        |
| Total tax credit                               |              | (315)        |              | (370)        |
|  |              | <hr/>        |              | <hr/>        |

#### Reconciliation of effective tax rate

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| Loss for the year   | (7,886)      | (9,883)      |
| Total tax credit  | (315)        | (370)        |
|   | <hr/>        | <hr/>        |
| Loss excluding taxation                                       | (8,201)      | (10,253)     |
| Tax using the UK corporation tax rate of 19% (2019: 19%)      | (1,558)      | (1,948)      |
| Under/(over) provided in prior years                          | (159)        | 310          |
| Expenses not deductible for taxation purposes                 | 373          | -            |
| Effect of change in tax rates on deferred tax brought forward | (478)        | -            |
| Group tax relief  | 1,479        | -            |
| Other   | 28           | 1,268        |
|   | <hr/>        | <hr/>        |
| Total tax credit included in profit or loss                   | (315)        | (370)        |
|   | <hr/>        | <hr/>        |

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly.

The deferred tax asset at 31 December 2020 has been calculated at 19% (2019: 17%).



## Notes (continued)

### 9 Tangible fixed assets

|                                  | Plant and<br>machinery<br>£'000 |
|----------------------------------|---------------------------------|
| <b>Cost</b>                      |                                 |
| Balance at 1 January 2020        | 114,539                         |
| Additions                        | 4,005                           |
|                                  | <hr/>                           |
| Balance at 31 December 2020      | 118,544                         |
|                                  | <hr/>                           |
| <b>Depreciation</b>              |                                 |
| Balance at 1 January 2020        | (14,718)                        |
| Depreciation charge for the year | (6,458)                         |
|                                  | <hr/>                           |
| Balance at 31 December 2020      | (21,176)                        |
|                                  | <hr/>                           |
| <b>Net book value</b>            |                                 |
| At 31 December 2020              | <u>97,368</u>                   |
| At 1 January 2020                | <u>99,821</u>                   |

### 10 Goodwill

|                     | 2020<br>£'000 | 2019<br>£'000 |
|---------------------|---------------|---------------|
| Goodwill            | 4,850         | 4,850         |
|                     | <hr/>         | <hr/>         |
| At 31 December 2020 | <u>4,850</u>  | <u>4,850</u>  |

Goodwill represents an amount previously transferred from Argent Oil Terminal Ltd.

### 11 Intangible assets

|                     | 2020<br>£'000 | 2019<br>£'000 |
|---------------------|---------------|---------------|
| Certificates        | 9,661         | 5,712         |
|                     | <hr/>         | <hr/>         |
| At 31 December 2020 | <u>9,661</u>  | <u>5,712</u>  |

Certificates consist of Renewable Transport Fuel Obligation (RTFO) certificates obtained by the Company as a result of biodiesel sold duty paid for transport use.

## Notes (continued)

### 12 Stocks

|                               | 2020<br>£000 | 2019<br>£000 |
|-------------------------------|--------------|--------------|
| Raw materials and consumables | 6,916        | 5,553        |
| Work in progress              | -            | 956          |
| Finished goods                | 9,848        | 13,971       |
|                               | <hr/> 16,764 | <hr/> 20,480 |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £302,788,280 (2019: £312,056,685). The write-down of stocks to net realisable value amounted to £nil (2019: £nil).

### 13 Debtors

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| <i>Amounts due within one year:</i>      |              |              |
| Trade debtors                            | 6,529        | 26,807       |
| Prepayments and accrued income           | 3,953        | 6,493        |
| Taxation and social security             | 869          | 1,195        |
| Deferred Tax Asset                       | 4,216        | 3,797        |
| Corporation Tax Asset                    | 2,102        | 2,904        |
| Amounts due from group undertakings      | 36           | 6,550        |
| Amounts due from subsidiary undertakings | 123          | -            |
|  | <hr/> 17,828 | <hr/> 47,746 |

### 14 Creditors: amounts falling due within one year

|                                   | 2020<br>£000 | 2019<br>£000  |
|-----------------------------------|--------------|---------------|
| Bank overdraft                    | 15,337       | -             |
| Trade creditors                   | 7,860        | 9,092         |
| Accruals                          | 9,118        | 6,647         |
| Other Creditors                   | 3,099        | 3,841         |
| Amounts due to group undertakings | 57,605       | 83,958        |
|                                   | <hr/> 93,019 | <hr/> 103,538 |

Amounts due to group undertakings represent non-interest bearing current account balances.

## Notes (continued)

### 15 Capital and reserves

|   | 2020<br>£   | 2019<br>£   |
|---|-------------|-------------|
| <b>Allotted, called up and fully paid</b> |             |             |
| 115,000,001 ordinary share of £1          | 115,000,001 | 115,000,001 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 16 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

|              | Assets       |              | Liabilities  |              | Net          |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|              | 2020<br>£000 | 2019<br>£000 | 2020<br>£000 | 2019<br>£000 | 2020<br>£000 | 2019<br>£000 |
| Fixed Assets | -            | -            | 3,886        | 2,719        | 3,886        | 2,719        |
| Losses       | (8,102)      | (6,508)      | -            | -            | (8,102)      | (6,508)      |
| Other        | -            | (8)          | -            | -            | -            | (8)          |
|              | (8,102)      | (6,516)      | 3,886        | 2,719        | (4,216)      | 3,797        |

### 17 Employee benefits

The pension cost charged for the year represents contributions payable by the Company to employees' defined contribution personal pension plans. The total pension cost charge for the year amounted to £251,132 (2019: £209,000). There were no outstanding or prepaid contributions at year end.

### 18 Related parties

*Identity of related parties with which the Company has transacted*

The Company is a wholly owned subsidiary of Argent Energy Holdings Limited, who are 100% owned by John Swire & Sons Limited. As the results of the Company are consolidated into the results of the group headed by John Swire & Sons Limited only, they are not exempt from the requirements of FRS102.33 to disclose transactions with other members of the group headed by John Swire & Sons Limited. Transactions with related parties, being fellow subsidiaries of the John Swire & Sons group, are summarised below.

Some raw materials and finished goods have been bought from or sold to Argent Energy (UK) Limited on an arms length basis during the year. Argent Energy (UK) Limited has also provided some central shared service support to Argent Energy Limited (including finance, HR, H&S and other management services) during the year.

## Notes (continued)

### 18 Related parties (continued)

|  | Receivables<br>outstanding<br>2020<br>£000 | 2019<br>£000      | Creditors<br>outstanding<br>2020<br>£000 | 2019<br>£000      |
|--|--|-------------------|--|-------------------|
| John Swire & Sons Limited                              | -  | -                 | -  | -                 |
| Transactions with subsidiaries within the Argent group | 159  | 6,550             | 57,605                                   | 83,958            |
|  | <u>          </u>                          | <u>          </u> | <u>          </u>                        | <u>          </u> |
|  | Sales<br>2020<br>£000                      | 2019<br>£000      | Purchases<br>2020<br>£000                | 2019<br>£000      |
| John Swire & Sons Limited                              | -  | -                 | -  | -                 |
| Transactions with subsidiaries within the Argent group | 2,264                                      | 1,939             | 47,444                                   | 42,926            |
|  | <u>          </u>                          | <u>          </u> | <u>          </u>                        | <u>          </u> |

### 19 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Argent Energy Holdings Limited. The ultimate controlling party is John Swire & Sons Limited.

The results of the Company are consolidated into the results of the group headed by John Swire & Sons Limited, incorporated in England. No other group financial statements include the results of the Company. The consolidated financial statements are available to the public and may be obtained from 59 Buckingham Gate, London, SW1E 6AJ.

### 20 Accounting estimates and judgements

*Critical accounting judgements in applying the Company's accounting policies*

The Company believes that there are no areas of material uncertainty which affect the financial statements.

### 21 Subsequent Events

On 14<sup>th</sup> January 2021, the Company issued a further 2,755,619 ordinary shares of £1.00 each to its parent company, Argent Energy Holdings Limited. There were no other significant events occurring after the balance sheet date which need disclosure in these financial statements.