



**Verification Report – UK Producer**  
**Case AD0058: Biodiesel from the People’s Republic of China (PRC)**

<b>Period of Investigation (POI):</b>	1 April 2023 to 31 March 2024
<b>Injury Period:</b>	1 April 2020 to 31 March 2024
<b>Date of report:</b>	14 February 2025
<b>Case team contact details:</b>	AD0058@traderemedies.gov.uk
<b>Interested party verified:</b>	Argent Energy Ltd and Argent Energy (UK) Ltd (Together referred to as Argent)

For further details, please see the [Notice of Initiation](#) on the public file.



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## Executive Summary

The TRA received an application of a new anti-dumping investigation for biodiesel from the PRC on 27 March 2024 and initiated this investigation on 5 June 2024.

The Trade Remedies Authority (TRA) is conducting this anti-dumping investigation to determine whether injury is being caused to the UK Biodiesel industry due to dumping of biodiesel imported into the United Kingdom (UK) from the PRC.

More information about the case can be found on the [public file](#).

Argent, a domestic producer of like goods, returned a completed, domestic producer questionnaire ('questionnaire response').

Argent is a UK producer of waste-based biodiesel that the TRA visited to conduct onsite verification in November 2024.

The TRA sought to verify the completeness, relevance and accuracy of the information submitted:

- A walkthrough of the accounting systems to assess how much reliance we can place on information produced by the systems was conducted previously on 28 February 2024. As such, for this review, we conducted a walkthrough of the accounting systems to determine that there had been no material changes to Argent's accounting system since the previous assessment in February.
- We compared questionnaire responses and other accompanying evidence and information to open sources such as Companies House, Argent's website, etc. checking for consistency.
- We checked information and data (information) provided for consistency with financial statements and responses from other interested parties.

Based on the verification activity undertaken the TRA have a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by Argent and that we can use it for the purpose of this investigation. However, there was some information relating to the injury period that we were not able to verify. This related to Profit (NOPAT) calculations, investments, median wages and its output value calculation.

## Purpose of verification



The purpose of the TRA's verification activity is to determine whether the information provided by interested parties is complete, relevant, and accurate and can be used in our investigation. This verification report sets out the conclusions reached for each component part that covers the scope of our work. It also provides an overall conclusion stating the level of assurance reached.

The information verified may then be considered in our assessments and analysis to determine whether dumping has occurred and if this is causing injury to the UK industry. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activities onsite. The TRA did not seek to verify all information provided, but undertook the work considered appropriate and possible within the time constraints of the investigation to obtain assurance upon which to base our case decision.

This verification report documents the work completed, providing an overview of the range and scope of verification procedures performed, for each component part that covers the scope of our work, on the information submitted by Argent. It details the conclusions reached regarding completeness, relevance, accuracy and provides an overall conclusion stating the level of assurance reached.

## Confidential information

Argent must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the verification report is considered confidential, Argent should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



## Verification

Please find below a summary of work completed by the TRA to determine whether the information provided by Argent in its questionnaire response is complete, relevant, and accurate.

### A. Company structure and associations

#### What information was considered

We considered the following from the questionnaire:

- Company details e.g., founding date, company addresses etc.
- General company structure, ownership, and management.
- Associations with other companies.
- Accounting practices and policies

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### How the information was checked

##### **Company Details**

The TRA cross-checked the details submitted by Argent with documents published on Companies House and information provided on the Argent company website. These documents include the Argent Energy Ltd and Argent Energy (UK) Ltd audited financial statements for 2023 which ends in the Period of Investigation of 1 April 2023 to 31 March 2024. We found that the information submitted in their questionnaire was consistent with information published on Companies House and Argent UK's website.

##### **General company structure, ownership and management**

We cross-checked details provided by Argent on its structure, ownership, and management with documents that Argent have published on Companies House and publicly available information. The parent company is Argent Energy Holdings owned by Jon Swire & Sons Limited. We found that the information in these documents and websites is consistent with information provided in the Argent submission.

##### **Associations with other companies**

We compared the companies listed by Argent in its questionnaire response that it claims association with and is involved in production or sale of the like good to information relating to corporate structure and board membership provided by Companies House. We found that the information was consistent with Companies House records and therefore the information in relation to associations can be used during the investigation.



**Accounting practices and policies**

The financial statements for Argent are prepared in accordance with the United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law). The independent auditor’s opinion of the Argent 2023 audited financial statements gives an unqualified statement that the Argent 2023 accounts give a true and fair view of the company’s affairs as of 31 December 2023. Argent’s accounting policies are shown in the notes to the financial statements. The policies are understood and deemed reasonable if applied as expected.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Exceptions/Findings/Adjustments**

None.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Conclusions**

The information relating to company structure and associations provided by Argent is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA in publications and for any other purpose within the investigation.

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**B. Accounting Systems and Procedures**

**What information was considered**

- Information Technology Systems and Applications
- Accounting policies, significant risks, and chart of accounts
- Sales / customer order process and procedures
- Purchase order / invoice approval process and procedures

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How the information was checked

**Systems Walkthrough**

The TRA reviewed Argent’s walkthrough we recorded recently. The TRA conducted an on-site system walkthrough of Argent’s financial system (Oracle) on 28 February 2024 to review how its costs and sales are tracked and recorded. Argent showed that its Oracle system is highly integrated with its business systems with minimal need for external interventions. We reviewed Argent’s accounting systems during our onsite verification for this investigation and determined that there were no material changes to Argent’s accounting system since our previous walkthrough.

During this review of Argent’s accounting system, we were provided with screenshots and supporting evidence of Argent’s sales and purchasing processes. We walked through one sale and one purchase transaction of biodiesel selected by the TRA in order to gain an understanding of end-to-end processes and system controls. “Through this process, we identified the level of integration with the Oracle system, the source documents that are accessible to Argent and the limited amount of manual intervention.. Based on the systems walkthrough and review, we have a reasonable level of assurance that the financial systems Argent use are reliable and have sufficient controls in place for the TRA to rely on its submitted data.

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Exceptions/Findings/Adjustments

None.

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Conclusions

Based on the work performed, we have obtained a basic understanding of the relevant accounting and associated business systems of Argent. This enabled us to plan appropriate verification procedures.

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C. Goods

What information was considered
<ul style="list-style-type: none"> <li>• Goods description and comparability to the goods concerned</li> <li>• PCN allocations</li> <li>• Internal coding system</li> </ul>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
How the information was checked
<p><b>PCN allocations and internal coding system</b>            Argent has an internal coding system which assigns an internal code number that differentiates between the finished product and the raw materials. Argent’s internal coding system also differentiates between 100% biodiesel and biodiesel blended with ultra-low sulphur diesel (ULSD). PR00007 is a 7% blend, and PR00010 is a 10% blend. For 100% biodiesel, the ICS does not reflect differences in the product itself.</p> <p><b>The like goods</b>            Argent produces only one specification of 100% biodiesel and does not purchase biodiesel. PCNs are allocated either to 100% biodiesel or to BXX where XX represents the relevant blend rate percentage. Argent lists the process to produce biodiesel on its website. The raw materials described are in line with our understanding of Argent’s raw materials as per its questionnaire response.</p> <p>Argent also produces three by-products, which are accounted for in costs and are also mentioned as by-products that the company sells on its website.</p> <p><b>Visit to the production facility and observed operations</b>            We visited the production facilities during a pre-initiation facilitation visit in September 2023 and were able to view the storage and preparation of raw materials, the production process, the quality control procedures, the storage of finished goods, and the site facilities available to transport products to its customers. The operations we observed were consistent with the information submitted within the questionnaire.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
Exceptions/Findings/Adjustments
<p>None.</p>



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**Conclusions**

The information relating to the company’s goods provided by Argent is verifiable. Based on the visit to Argent's production facilities and work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for PCN allocations and for any other purpose within the investigation

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**D. Costs**

**What information was considered**

- Cost reconciliations
- Sample tests of relevant cost components such as
  - major inputs
  - direct labour
  - manufacturing overheads
  - Administration, Selling and General (AS&G) costs
- Depreciation and amortisation policies and methods
- Cost allocations for any by-products and costs
- Associated party transaction and arm’s length prices
- Extraordinary costs

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**How the information was checked**

**Upward verification**

To check the completeness of the cost data provided by Argent, we reconciled the cost data provided in the questionnaire annex upwards to the financial statements for both legal entities: Argent Energy and Argent Energy UK. The financial year for Argent is from 1<sup>st</sup> January to 31<sup>st</sup> December, which does not align with the POI for this investigation. Therefore, we aligned the financial statements to the POI using the trial balance and management accounts which had monthly transaction details to reach the cost data for the whole company and agreed this figure to the submitted annexes. We consolidated the cost of the two entities by adding their costs



and excluding the intercompany transactions for the POI, however we did include intercompany sales to the Netherlands branch as it occurs at arm's length.

It is difficult to ascertain the exact CTM of the like goods as there are blended products within the PCNs. We estimated the cost to make of the pure biodiesel by applying the percentage of the biodiesel content or the blend average. From this, we have assurance that cost to make for the like goods provided by Argent in the questionnaire response is reasonable.

**Sample testing**

We tested a sample of raw materials purchases (feedstock, energy and chemicals), by-products, direct labour, manufacturing overheads and Administration, Selling and General (AS&G) costs. We tested underlying documentation for selected transactions and costs for each cost element and found no material inconsistencies. To test feedstock and energy purchases, we requested the following documentation:

- Purchase order;
- Invoice;
- Bank receipt;
- Delivery note.

For all other downwards testing, we requested invoices and confirmation through Oracle.

**Direct Labour**

For direct labour we reconciled the labour costs to the audited general ledger, we requested 2 months of payroll system data. We made a judgement based on the evidence presented to us and we're able to place a reasonable level of reliance on the labour figures.

**Cost allocation to PCNs**

The PCNs were allocated by quantity per tonne produced of pure biodiesel. We recalculated the allocation, and we found it to be reasonable.

**Depreciation**

We checked the depreciation figure as stated in the questionnaire response against the depreciation listed in the General Ledger. We were satisfied that the figures were identical.

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Exceptions/Findings/Adjustments

None.



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Conclusions

The information relating to costs provided by Argent is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for calculations and for any other purpose within the investigation.

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E. Sales

What information was considered

- Sales reconciliations
- Sample of relevant sales transaction
- Price reductions
- Sales allocations for any by-products

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How the information was checked

**Upwards reconciliation**

We reconciled the sales data provided in the questionnaire annex upwards to the financial statements for both legal entities: Argent Energy and Argent Energy UK. We used this procedure to assess if Argent provided complete sales data for the POI.

The financial year for Argent is from 1<sup>st</sup> January to 31<sup>st</sup> December, which does not align with the POI for this investigation. We aligned the financial statements to the POI and consolidated the data from the two entities then excluded the intercompany transactions using the trial balances and monthly management accounts to determine the total sales for the whole company.

We identified an immaterial difference between the figure we calculated for the sales of the like goods and the figure Argent provided. We assessed that this difference may be as a result of the different approach we used to calculate the



sales data and the method Argent used. However, the difference is within an acceptable materiality threshold for this case, therefore we consider the sales data reasonable.

Argent accounts for by-product sales as part of its sales in its accounts, but for consistency we asked Argent to show it as recoupment of costs. As such, sales of all goods and sales of the like goods are the same figure.

**Sample testing**

We tested a sample of Argent’s sales transactions to check the accuracy of the sales listing. We tested underlying documentation for selected transactions and found no material inconsistencies. The evidence we tested include:

- Sales order;
- Invoice;
- Bank receipt;
- Delivery note.

**Price reductions**

Argent confirmed that there are no price reductions or rebates for domestic sales. We scrutinised the trial balance and management accounts and did not find any evidence of price reductions. This confirmed Argent’s response that there is no price reductions.

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**Exceptions/Findings/Adjustments**

None.

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**Conclusions**

The information relating to sales provided by Argent is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for calculations and for any other purpose within the investigation.

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## F. Injury

### What information was considered

- *Specific injury claims related to the economic factors;*
  - *Sales*
  - *Profit*
  - *Output*
  - *Market share*
  - *Return on Investment*
  - *Capacity and Utilisation of Capacity*
  - *Cashflow*
  - *Inventory*
  - *Employment, median wage and productivity*

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### How the information was checked

#### **Injury Factors**

Argent provided us with documentation and methodology to verify its data for the injury period as submitted in Annex 11 – Injury for a number of injury factors. We were able to verify sales, market share, Return on Investment, capacity, cashflow, employment, production output for volume and inventories. During our verification process, we were not provided with sufficient documentation or methodology to verify the following factor: NOPAT calculations, investments, median wages, output value calculation.

#### **Sales**

Sales for the POI has been verified (see E. Sales). We performed a reasonableness check on the sales figures for the injury period and found the submitted figures to be consistent and reasonable.

#### **Output**

Argent provided its methodology and calculation for output by volume, which the TRA checked and found reasonable. We have less assurance on Argent’s output by value calculation as this is based on the CTMS unit price and does not take monthly fluctuation into consideration.

#### **Market share**

Argent has used RTFO UK consumption data to calculate market share. We replicated this calculation and found Argent’s figures to be reasonable.

#### **Return on Investment**



We tested the reasonableness of the return-on-investment figures of the like goods over the course of the injury period. We found Argent’s figures and methodology to be reasonable.

**Capacity and utilisation of capacity**

Argent explained the methodology underpinning its capacity calculation. Argent has used plated capacity plus efficiencies over time. Plated capacity figures can be corroborated with publicly available data. The TRA considers the figures for capacity to be reasonable. Utilisation of capacity is calculated based on output and capacity figures.

**Cashflow**

Argent submitted a breakdown of its cashflow calculation. Argent has used operating cashflow for this calculation, and the figures in the injury annex can be reconciled with the trial balances.

**Inventories**

Inventory figures by value have been taken from trial balances. Inventory figures by volume have been submitted, checked, and the TRA considers these figures to be reasonable.

**Employment, productivity and median wage**

Argent corroborated employment figures with management account data backed up by payroll. Productivity has been calculated as the output divided by total number of employees. We consider both to be reasonable. Argent did not provide us with evidence of its median wage calculation and as such this data could not be verified.

**Target profit**

Argent did not provide the methodology underpinning its calculation of a reasonable level of profit in the absence of injury. As such, the TRA might have to consider other factors when deciding on the figure submitted by Argent for its target profit.

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**Exceptions/Findings/Adjustments**

None.

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Conclusions

The information relating to injury factors provided by Argent is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate except for figures relating to NOPAT calculations, investments, median wages calculation, output and value calculation. The information can be used by the TRA *for injury analysis and* for any other purpose within the investigation.

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G. Economic Interest Test

What information was considered

- Other producers of the like good, upstream, and downstream industry
- Employment figures
- Market Share

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

How the information was checked

**Suppliers/customers**

The TRA conducted sample testing of raw material and sales transactions as part of its downwards verification outlined in Costs and Sales (sections D and E). This sample testing allowed us to review basic supplier and customer information like names and location. The TRA obtained assurance that Argent had transactions with the suppliers and customers listed in the annex during the POI.

**Employment**

We conducted a reasonableness test for the data over the injury period, and the number of employees for the like goods was consistently at 78% of the total number of employees. We consider the split of employees directly working on the like goods to be reasonable.

**Market Share**

We have tested Argent's potential market share if a measure were to be imposed, and our calculation on a shift in their export/domestic sale ratio is in line with Argent's assumption.



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Exceptions/Findings/Adjustments

None.

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Conclusions

The information relating to economic interest provided by Argent is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA to conduct the Economic Interest Test and for any other purpose within the investigation.

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## Conclusions

We gained an understanding of Argent, its operations, and associations by checking submitted documents and publicly available information. We verified the company has correctly assigned PCNs to all the like goods it produces and has not made any omissions or incorrect inclusions.

We conducted upwards and downwards cost verification, including aligning the audited financial statements to the POI, and gained a reasonable level of assurance over the completeness and relevance of the cost to make and sell information submitted within the questionnaire. We also gained assurance over the accuracy and relevance of the raw material costs data set and assessed the reasonableness of the allocation of costs to the like goods.

We conducted upwards and downwards sales verification, including aligning the audited financial statements to the POI, and gained a reasonable level of assurance over the completeness of the sales data for the like goods and over the accuracy and relevance of the detailed sales transactions listing provided, by tracing sampled transactions back to source documents.

We reviewed the methodology and allocation of figures over the 4 years of the injury period and determined that we had a reasonable assurance regarding the accuracy and relevance of information provided by interested parties in relation to the injury assessment on all of the factors other than NOPAT calculations, investments, median wages calculation, output and value calculation. We determined that the evidence provided by Argent can be relied upon in relation to the Economic Interest Test.

Argent provided sufficient and appropriate evidence, which enabled us to conduct verification work on a sample basis as detailed in the above sections. Based on the work performed, we have a reasonable level of assurance that the information provided in its questionnaire response is complete, relevant, and accurate for the purpose of this investigation, except for some injury factors. For the injury factors in question, we have used some of the information provided for the purpose of our investigation and have done so where we consider this to be the best facts available.



## Annexes

### Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
25 November 2024 to 28 November 2025	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[REDACTED]	[REDACTED]