

Company registration number 04007349 (England and Wales)

**ESL FUELS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**



# ESL FUELS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mrs J A Whittaker Mr S D Whittaker
<b>Secretary</b>	Mrs J A Whittaker
<b>Company number</b>	04007349
<b>Registered office</b>	Dock Yard Road Ellesmere Port CH65 4EF
<b>Auditor</b>	Xeinadin Audit Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR

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# ESL FUELS LIMITED

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# ESL FUELS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2024**

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The directors present their strategic report for the year ended 30 June 2024.

### **Principal activity**

The principal activity of the Company is design, production and supply of differentiated and customised liquid fuels.

### **Fair review of the business**

The Company continued to grow in its existing markets whilst also developing new technology and products. In particular, our innovations in environmentally sustainable liquid fuels have enabled us well to supply and support their growing demand.

The Company consider that the key financial performance indicator for the profitability of the Company is the earnings before interest, taxes, depreciation and amortisation, EBITDA, and for the year was £14,221,864 (2023 - £11,169,666).

The results for the year end and financial position of the Company are shown in the annexed financial statements.

### **Principal risks and uncertainties**

The principal risks and uncertainties arise from fluctuations in the price of fuels and in rates of exchange.

The Company's operations and earnings are subject to competitive, economic, political, legal, regulatory, social, industry, business and financial risks, as discussed below. These could have a material adverse effect separately, or in combination, on our operational performance, earnings or financial condition.

Our operating results and financial condition are exposed to fluctuating fuel prices which are affected by supply and demand, both globally and regionally. Factors that influence supply and demand include operational issues, natural disasters, weather, political instability, conflicts, economic conditions and actions by major fuel exporting countries. Price fluctuations have a material effect on our earnings and our financial condition.

### **Other considerations**

Our approach is always to consider our employees, the environment and carbon emissions, human rights and all social and community issues. We are an equal opportunities employer ensuring no discrimination on the grounds of race, ethnicity, religion, sexual orientation or gender.

### **Promoting the success of the Company**

The Company's four core values remain at the heart of promoting the Company's success for the benefit of its stakeholders:

***Innovate:*** Employees are encouraged to think creatively and strive for continuous improvement. From the early days of pioneering biodiesel, to creating market-changing heating and marine gas oils, to more recent times producing a range of renewable liquid fuels, the Company has always been at the forefront of innovation. We continually invest in research and development and have a highly technical team who work closely with industry to develop sustainable liquid fuels to meet customer's needs.

***Nurture relationships:*** The Company seeks to build mutually beneficial partnerships across the business. The Company's employees engage regularly with customers, suppliers, and other external stakeholders to foster existing and create new business relationships. This identifies opportunities and helps gather information to develop a mutual understanding of our businesses to cultivate long term shared growth and partnering. We place a strong emphasis on customer satisfaction and ensure high-quality standards in our products and service delivery. Furthermore, internal relationship building through employee engagement and involvement is key to ensure goal congruence and efficiency.

***Be the best:*** The Company nurtures a strong team and work ethic in a positive environment to deliver competitively superior quality, value and service to its customer and other stakeholders. The Company continues to invest in research and development, talent acquisition and training, optimising systems and operations, along with other value adding measures.

## **ESL FUELS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2024***

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***Act with integrity:*** Employees are required to demonstrate uncompromising ethics in everything they do. The Company ensures its reputation for high standards of business conduct by engaging with government and industry bodies, and undertaking numerous audits throughout the year. The Directors recognise the importance of their responsibilities in relation to Health, Safety and the Environment and ensure employees and the Company adhere to Company policy, laws, and regulations.

The Board is confident that the measures taken over the past year have laid a solid foundation for continued success. We remain committed to driving innovation, sustainability and growth, ensuring long-term value for all our stakeholders.

On behalf of the board

Mrs J A Whittaker  
**Director**

27 March 2025

# ESL FUELS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2024

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The directors present their annual report and financial statements for the year ended 30 June 2024.

#### Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £1,500,000. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs J A Whittaker

Mr S D Whittaker

#### Financial instruments

##### *Price risk, credit risk, liquidity risk and cash flow risk*

The Company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling, with the only foreign currency transactions being covered by suitable currency contracts to minimise exposure to exchange rate volatility.

#### Research and development

The Company continues to undertake significant research and development to improve existing fuels and create new technology and products.

#### Future developments

The directors are pleased with the financial position of the Company and consider it well placed to meet any upturn in demand.

#### Energy and carbon report

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires the Company to disclose annual UK energy consumption and Greenhouse Gas ('GHG') emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the for the year ended 30 June 2024.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity consumption and business travel in employee-owned vehicles ('grey fleet'). The table below details SECR-regulated energy and GHG emission sources for the current and previous reporting periods.

	2024	2023
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Electricity purchased	163,082	122,751
- Fuel consumed for transport	6,703	4,976
	<hr/>	<hr/>
	169,785	127,727
	<hr/> <hr/>	<hr/> <hr/>

# ESL FUELS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	metric	metric
	tonnes	tonnes
<i>Emissions of CO2 equivalent ('CO2e')</i>		
Scope 1 - direct emissions		
- Gas combustion	-	-
- Fuel consumed for owned transport	-	0.20
	<hr/>	<hr/>
	-	0.20
Scope 2 - indirect emissions		
- Electricity purchased	33.80	25.40
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Company	1.60	1.00
	<hr/>	<hr/>
Total gross emissions	35.40	26.60
	<hr/> <hr/>	<hr/> <hr/>
<i>Intensity ratio</i>		
Tonnes CO2e location based ('LB') per £m turnover	0.149	0.143
	<hr/> <hr/>	<hr/> <hr/>

#### *Quantification and reporting methodology*

Activity data has been converted into energy and GHG emissions using emissions factors published by the UK Government (DESNZ, BEIS) in 2024. Electricity disclosures have been calculated using metered kWh consumption taken from supplier invoices. GHG emissions associated with Scope 2 purchased electricity have been reported using the LB and market-based ('MB') methodologies. Transport disclosures have been calculated based on business mileage expense claim records.

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e LB per million £ of turnover, the recommended ratio for the sector.

#### *Measures taken to improve energy efficiency*

The Company is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. In April 2024, the Company switched to a renewable electricity tariff, which will enable a significant reduction in Scope 2 MB emissions in the financial year ended 30 June 2025. Emissions increased in the financial year ended 30 June 2024 compared to the financial year ended 30 June 2023 due to an increase in the emissions intensity of British Gas' 2023/2024 conventional fuel mix.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board

Mrs J A Whittaker  
**Director**

27 March 2025

# **ESL FUELS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2024***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# ESL FUELS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESL FUELS LIMITED

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### Opinion

We have audited the financial statements of ESL Fuels Limited (the 'Company') for the year ended 30 June 2024 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# ESL FUELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ESL FUELS LIMITED (CONTINUED)

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the industry sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

## **ESL FUELS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF ESL FUELS LIMITED (CONTINUED)**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Helen Furlong FCCA (Senior Statutory Auditor)**

For and on behalf of Xeinadin Audit Limited, Statutory Auditor

Chartered Accountants

46 Hamilton Square

Birkenhead

Wirral

Merseyside

CH41 5AR

28 March 2025

## ESL FUELS LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 £	2023 £
<b>Turnover</b>	<b>3</b>	237,176,088	185,400,798
Cost of sales		(215,292,183)	(167,208,084)
<b>Gross profit</b>		<u>21,883,905</u>	<u>18,192,714</u>
Distribution costs		(5,309,811)	(4,827,453)
Administrative expenses		(2,640,036)	(2,408,272)
<b>Operating profit</b>	<b>4</b>	<u>13,934,058</u>	<u>10,956,989</u>
Interest payable and similar expenses	<b>8</b>	(742,524)	(387,511)
<b>Profit before taxation</b>		<u>13,191,534</u>	<u>10,569,478</u>
Tax on profit	<b>9</b>	(3,368,475)	(2,159,708)
<b>Profit for the financial year</b>		<u>9,823,059</u>	<u>8,409,770</u>
Retained earnings brought forward		10,361,721	5,701,951
Dividends	<b>10</b>	(1,500,000)	(3,750,000)
Retained earnings carried forward		<u>18,684,780</u>	<u>10,361,721</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# ESL FUELS LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		127,884		114,475
Tangible assets	12		2,661,364		2,244,757
			<u>2,789,248</u>		<u>2,359,232</u>
<b>Current assets</b>					
Stocks	14	25,753,755		12,153,894	
Debtors	15	22,519,522		10,925,278	
Cash at bank and in hand		432,004		268,100	
		<u>48,705,281</u>		<u>23,347,272</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(32,281,067)</u>		<u>(14,948,188)</u>	
<b>Net current assets</b>			<u>16,424,214</u>		<u>8,399,084</u>
<b>Total assets less current liabilities</b>			<u>19,213,462</u>		<u>10,758,316</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	<u>428,682</u>	<u>(428,682)</u>	<u>296,595</u>	<u>(296,595)</u>
<b>Net assets</b>			<u>18,784,780</u>		<u>10,461,721</u>
<b>Capital and reserves</b>					
Called up share capital	20		100,000		100,000
Profit and loss reserves			<u>18,684,780</u>		<u>10,361,721</u>
<b>Total equity</b>			<u>18,784,780</u>		<u>10,461,721</u>

The financial statements were approved by the board of directors and authorised for issue on 27 March 2025 and are signed on its behalf by:

Mrs J A Whittaker  
**Director**

Company registration number 04007349 (England and Wales)

# ESL FUELS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024		2023	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	6,507,183		9,082,905	
Income taxes paid		(2,300,000)		(1,300,000)	
<b>Net cash inflow from operating activities</b>		<u>4,207,183</u>		<u>7,782,905</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(50,010)		(49,130)	
Purchase of tangible fixed assets		(691,345)		(864,238)	
<b>Net cash used in investing activities</b>		<u>(741,355)</u>		<u>(913,368)</u>	
<b>Financing activities</b>					
Proceeds from new bank loans		2,400,000		1,067,508	
Repayment of bank loans		(3,504,604)		(8,003,948)	
Interest paid		(742,524)		(387,511)	
Dividends paid		(1,500,000)		(3,750,000)	
Amounts introduced by directors		45,204		449,167	
<b>Net cash used in financing activities</b>		<u>(3,301,924)</u>		<u>(10,624,784)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>163,904</u>		<u>(3,755,247)</u>	
Cash and cash equivalents at beginning of year		268,100		4,023,347	
<b>Cash and cash equivalents at end of year</b>		<u><u>432,004</u></u>		<u><u>268,100</u></u>	

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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### 1 Accounting policies

#### Company information

ESL Fuels Limited is a private company limited by shares incorporated in England and Wales. The registered office is Dock Yard Road, Ellesmere Port, CH65 4EF.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies where certain items are included at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Software	20% on cost
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# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

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### 1 Accounting policies (Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	4% on cost
Plant and equipment	7 - 10% on cost
Fixtures and fittings	7 - 10% on cost
Computer equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.8 Stocks

Stocks are valued at fair value less costs to sell after making due allowances for obsolete and slow moving items.

The Company supplies renewable fuels covered by the Renewable Transport Fuel Obligation (RTFO) Order and claims Renewable Transport Fuel Certificates (RTFC's) for every litre of sustainable fuel that crosses its duty point. These certificated can be traded on the open market and are valued consistent with other stocks.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### 1.11 Hedge accounting

The Company designates certain hedging instruments, including derivatives, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

### 1 Accounting policies (Continued)

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover

	2024	2023
	£	£
<b>Turnover analysed by class of business</b>		
Fuel	221,493,883	178,967,835
Renewable Transport Fuel Certificates	15,682,205	6,432,963
	<u>237,176,088</u>	<u>185,400,798</u>

### 4 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(138,055)	418,057
Depreciation of owned tangible fixed assets	251,205	185,110
Loss on disposal of tangible fixed assets	23,533	-
Amortisation of intangible assets	36,601	27,567
	<u>172,684</u>	<u>630,734</u>

### 5 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the Company	12,000	10,000
	<u>12,000</u>	<u>10,000</u>
<b>For other services</b>		
All other non-audit services	3,000	-
	<u>3,000</u>	<u>-</u>

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

### 6 Employees

The average number of persons employed by the Company during the year was:

	2024 Number	2023 Number
Directors	2	2
Production	8	6
Administration and support	15	12
Total	<u>25</u>	<u>20</u>

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	1,550,332	1,123,970
Social security costs	127,807	125,631
Pension costs	18,442	93,889
	<u>1,696,581</u>	<u>1,343,490</u>

### 7 Directors' remuneration

	2024 £	2023 £
Remuneration	24,000	24,000
Company pension contributions to defined contribution schemes	229	79,424
	<u>24,229</u>	<u>103,424</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023 - 2).

### 8 Interest payable and similar expenses

	2024 £	2023 £
<b>Interest on financial liabilities:</b>		
Interest on bank overdrafts and loans	741,422	381,920
<b>Other finance costs:</b>		
Other interest	1,102	5,591
	<u>742,524</u>	<u>387,511</u>

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

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9 Taxation	2024	2023
	£	£
<b>Current tax</b>		
UK corporation tax on profits in the year	3,236,388	2,036,847
	<u>                    </u>	<u>                    </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	132,087	122,861
	<u>                    </u>	<u>                    </u>
Total tax charge	3,368,475	2,159,708
	<u>                    </u>	<u>                    </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit before taxation	13,191,534	10,569,478
	<u>                    </u>	<u>                    </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	3,297,884	2,642,370
Tax effect of expenses that are not deductible in determining taxable profit	10,047	3,579
Tax effect of utilisation of tax losses not previously recognised	(17,434)	-
Effect of change in corporation tax rate	-	(475,637)
Capital allowances in excess of depreciation	(54,109)	(133,465)
Deferred tax expense	132,087	122,861
	<u>                    </u>	<u>                    </u>
Taxation charge for the year	3,368,475	2,159,708
	<u>                    </u>	<u>                    </u>
10 Dividends	2024	2023
	£	£
Interim paid	1,500,000	3,750,000
	<u>                    </u>	<u>                    </u>

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

### 11 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 July 2023	164,985
Additions	50,010
	<u>214,995</u>
At 30 June 2024	214,995
<b>Amortisation</b>	
At 1 July 2023	50,510
Amortisation charged for the year	36,601
	<u>87,111</u>
At 30 June 2024	87,111
<b>Carrying amount</b>	
At 30 June 2024	<u>127,884</u>
At 30 June 2023	<u>114,475</u>

### 12 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 July 2023	832,642	1,812,525	50,975	18,719	2,714,861
Additions	190,931	470,199	13,567	16,648	691,345
Disposals	-	(23,533)	-	-	(23,533)
	<u>1,023,573</u>	<u>2,259,191</u>	<u>64,542</u>	<u>35,367</u>	<u>3,382,673</u>
At 30 June 2024	1,023,573	2,259,191	64,542	35,367	3,382,673
<b>Depreciation</b>					
At 1 July 2023	56,396	399,543	5,289	8,876	470,104
Depreciation charged in the year	38,423	201,062	3,887	7,833	251,205
	<u>94,819</u>	<u>600,605</u>	<u>9,176</u>	<u>16,709</u>	<u>721,309</u>
At 30 June 2024	94,819	600,605	9,176	16,709	721,309
<b>Carrying amount</b>					
At 30 June 2024	<u>928,754</u>	<u>1,658,586</u>	<u>55,366</u>	<u>18,658</u>	<u>2,661,364</u>
At 30 June 2023	<u>776,246</u>	<u>1,412,982</u>	<u>45,686</u>	<u>9,843</u>	<u>2,244,757</u>

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

### 13 Financial instruments

#### Hedging arrangements

The Company's operations expose it to various financial risks, most notably commodity price risk, which arises from fluctuations in the market price of fuels. The Company manages this exposure through the use of derivative financial instruments, specifically commodity forwards and swaps.

All derivative financial instruments are measured at fair value. The valuation is based on observable market data. The fair value of the hedging instruments at the balance sheet date is a liability of £633,755.

Hedge effectiveness has been assessed both prospectively and retrospectively and all designated fair value hedge relationships were deemed effective during the year.

All outstanding hedging instruments as at the balance sheet date mature within 12 months of the year end and relate to hedged items expected to unwind in the same period.

### 14 Stocks

	2024	2023
	£	£
Raw materials	280,125	102,700
Finished goods	12,383,765	9,200,784
Renewable Transport Fuel Certificates	13,089,865	2,850,410
	<u>25,753,755</u>	<u>12,153,894</u>

### 15 Debtors

	2024	2023
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	14,116,547	10,420,849
Other debtors	4,574	-
Prepayments	8,398,401	504,429
	<u>22,519,522</u>	<u>10,925,278</u>

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

	2024	2023
	£	£
	<b>Notes</b>	
Bank loans	17	2,894,767
Trade creditors		3,999,371
Corporation tax		10,391,996
Other taxation and social security		4,000,892
Directors' loan account		2,108,553
Other creditors		4,945,445
Accruals		2,868,562
		556,533
		511,329
		417
		4,716
		11,383,356
		2,391,153
		<u>32,281,067</u>
		<u>14,948,188</u>

## ESL FUELS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

#### 17 Loans and overdrafts

	2024 £	2023 £
Bank loans	2,894,767	3,999,371
Payable within one year	2,894,767	3,999,371

Bank loans and other loans, are secured by fixed and floating charges over the undertaking of the Company or all property and assets.

Bank loans are denominated in GBP with nominal interest rates of 7.42% and 7.12% per annum. Bank loans were repaid in full in July 2024.

#### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon:

	Liabilities 2024 £	Liabilities 2023 £
<b>Balances:</b>		
Accelerated capital allowances	428,682	296,595
<b>Movements in the year:</b>		2024 £
Liability at 1 July 2023		296,595
Charge to profit or loss		132,087
Liability at 30 June 2024		428,682

The amount of the net reversal of deferred tax expected to occur next year is £69,348 relating to the reversal of existing timing differences on tangible fixed assets.

#### 19 Retirement benefit schemes

	2024 £	2023 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	18,442	93,889

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

## ESL FUELS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

#### 20 Share capital

	2024	2023	2024	2023
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary of £1 each	100,000	100,000	100,000	100,000

#### 21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of tangible fixed assets	33,084	-

Capital commitments were all committed in June 24 and were settled in the next financial year using existing cash reserves and operating cash flows.

#### 22 Related party transactions

##### Transactions with related parties

During the year the Company entered into the following transactions with related parties:

ESL Fuels Limited has a rental agreement with Port Fuels Limited, a Company under common ownership. The Company provided rental premises to ESL Fuels Limited during the year.

The total rent charged for the year amounted to £83,854 (2023: £77,132), which was determined on an arm's length basis, consistent with market terms and conditions.

The directors confirm that this transaction was conducted in the ordinary course of business and that the terms were fair and reasonable.

At the reporting date, the amount outstanding to the related party in respect of this transaction was nil.

The directors of ESL Fuels Limited are also involved in the ownership and management of the related party.

#### 23 Directors' transactions

The amount owing to the directors at 30 June 2024 was £556,533 (2023 - £511,329) and is secured by fixed and floating charges over the undertaking and all property and assets present and future, including uncalled capital, goodwill, book debt and patents.

During the year interest amounting to £1,102 (2023 - £5,591) was paid to the directors.

Dividends totalling £1,500,000 (2023 - £3,750,000) were paid in the year in respect of shares held by the Company's directors.

# ESL FUELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

### 24 Cash generated from operations

	2024	2023
	£	£
Profit after taxation	9,823,059	8,409,770
<b>Adjustments for:</b>		
Taxation charged	3,368,475	2,159,708
Finance costs	742,524	387,511
Loss on disposal of tangible fixed assets	23,533	-
Amortisation and impairment of intangible assets	36,601	27,567
Depreciation and impairment of tangible fixed assets	251,205	185,110
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(13,599,861)	280,078
(Increase)/decrease in debtors	(11,594,244)	1,757,287
Increase/(decrease) in creditors	17,455,891	(4,124,126)
<b>Cash generated from operations</b>	<b>6,507,183</b>	<b>9,082,905</b>

### 25 Analysis of changes in net debt

	1 July 2023	Cash flows	30 June 2024
	£	£	£
Cash at bank and in hand	268,100	163,904	432,004
Borrowings excluding overdrafts	(3,999,371)	1,104,604	(2,894,767)
	<u>(3,731,271)</u>	<u>1,268,508</u>	<u>(2,462,763)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.