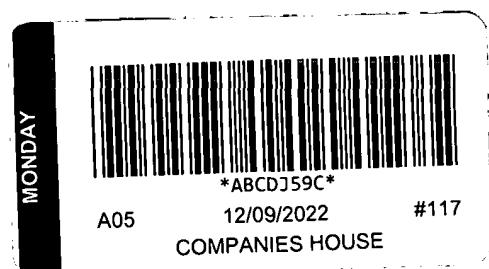


Registered number: 04058825

Greenenergy Fuels Limited

Annual report and financial statements for the year ended 31 December 2021



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Strategic report

The Directors present their strategic report and the audited financial statements for the year ended 31 December 2021.

Business review

Greenergy Fuels Limited ("the Company") is the principal UK trading subsidiary of Greenergy Group Holdings Limited, which is the parent Company of the Greenergy Group ("the Group"). The Greenergy Group is an international manufacturer, supplier and retailer of waste derived renewable and transportation fuels with primary operations in the UK, Ireland and Canada. The Company's principal activities during the year were the blending, supply and marketing of transportation fuels and waste derived renewable fuels.

Profit after tax

For the year ending 31 December 2021 the Company made a profit after tax of £66.43m (31 December 2020: loss after tax of £7.58m).

Revenues and Cost of sales

Revenue increased by £3.76bn to £14.54bn, primarily due to easing of COVID-19 restrictions which saw demand for road fuels increase compared to the previous year (increased 11%).

Cost of sales increased by £3.68bn owing to movements in volumes and marker prices.

Net assets

Net assets increased by £44.05m to £66.24m (31 December 2020: £22.19m) as a result of the profit after tax of £66.43m for the year, offset by dividends paid in the year of £22.38m.

Our purpose

Our purpose is to drive transport decarbonisation through continued leadership in waste-derived renewables.

Our business was founded to supply diesel with lower emissions than standard diesel offering significant air quality benefits. As we have grown, we are more than ever committed to reducing emissions in transport fuels.

As Europe's largest manufacturer of waste-based biodiesel, renewables are integral to our core strategy. Our flexible, global supply chain gives us optionality to source the lowest-cost feedstocks and products, ensuring reliable supply to our market-leading customer portfolio and an extensive retail network.

Our mission

To deliver long-term value for our stakeholders through the production and distribution of waste-derived renewable transportation fuels.

We do this by:

- Delivering change through innovation: developing and driving renewable projects
- Evolving our supply chain: maintaining quality and reliable supply
- Retaining strong customer relationships: honesty and transparency in how we work
- Acting responsibly and being accountable: doing no harm to people or place

Our values

Our values underpin every interaction we have, whether with colleagues, customers, suppliers and the communities in which we operate.

- Respect
- Ownership
- Care
- Integrity

Strategic report (continued)

Ukraine

Following Russia's invasion of Ukraine, commodity and financial markets have been significantly impacted as the world responds and sanctions are increasingly introduced. The Directors have considered the following impacts on the Company and the Group headed by Greenergy Group Holdings Limited (the Group).

People

The devastating tragedy that is unfolding in Ukraine is a humanitarian crisis. As a Group we have donated to the Disasters Emergency Committee and our people have chosen to direct over half of our charitable giving to this fund to help provide food, water, shelter, healthcare and protection.

Markets

UK and EU refineries together refine enough petrol to meet regional demand, but they do not produce enough diesel, so their output needs to be supplemented by diesel imports from further afield with Russia being the closest available source of supply.

The global supply chain will need time to adapt to these changes. For example, longer transport distances will impact the type and number of ships needed to move fuel and may also require changes to the tankage infrastructure being used to store fuel in different locations.

Suppliers and customers

Whilst we do not source from Russian suppliers, some of our suppliers do source diesel products from Russia. We welcome the UK Government's announcement to phase out imports of Russian oil and since the invasion into Ukraine, we have been actively replacing Russian diesel with non-Russian diesel to ensure we comply.

We have a responsibility to ensure security of supply in the UK and are continuing to work together with our suppliers and Government to prepare contingencies and minimise any potential disruptions for our customers.

Risk Management

As economic sanctions have been imposed on many Russian organisations and individuals, commodity and financial markets have been affected as they adjust to these changes. Our robust risk management processes and experience has ensured that we are able to navigate through these challenges.

See pages 10 to 17 for principal risks and uncertainties.

Liquidity

The conflict and subsequent sanctions have resulted in upward pressure on commodity prices and combined with the lengthening of our supply chain to remove Russian diesel, has led to an overall reduction in available liquidity.

Subsequent to year end the Group obtained short-term shareholder working capital support to assist with its peak borrowing requirements. The Group is in active discussions with its banks to further increase the facility limit to ensure sufficient liquidity is available to fund the Group's ongoing working capital requirements.

Strategic report (continued)

COVID-19

Our robust operations and the strength of our business positions us to manage the effects of the pandemic and minimise disruptions for our business and our customers.

People

We are committed to protecting the health and safety of our staff and customers at all times.

As an essential business, many of our staff continued to attend plants, terminals, scheduling offices and our haulage fleet continued to meet customer requirements throughout lockdowns. To minimise the risk to these staff, we implemented additional control measures and continue to review our risk assessments that are specific to each role and location. As lockdown restrictions were introduced, eased and then introduced again throughout 2020 and 2021, we have been able to quickly adapt our business operations.

Business continuity

We maintain a robust business continuity plan that is regularly reviewed and updated based upon the most up-to-date advice.

The Group's COVID-19 Taskforce is responsible for staying abreast of the changing regulations and requirements, and proactively monitor, propose and implement policies into the business. This ensures we have the most appropriate plans in place to mitigate the impact of COVID-19 on our business, and that of our customers.

As part of our business continuity planning, we have the flexibility to revert to strict 'bubbles' across our scheduling teams, terminals and plants to minimise the risk to our people and ensure business operations continue.

Suppliers and customers

We continue to work closely with our suppliers to ensure continuity of supply for our customers, whilst ensuring the health and safety of our people.

Our planning throughout the pandemic and our unique supply chain means we are best placed to meet future customer requirements and ensure supply resilience for our customers.

Market volatility

COVID-19 continues to effect operations and supply chains around the world. We are confident that our experience in managing risk and volatility in our usual business equips us to deal with the challenges from the pandemic.

Renewables

2021 saw continued demand for high quality biofuels such as the ones we produce as legislating blending obligations increase in regions around the world.

As lockdowns were extended and introduced once more in 2021, supply of used cooking oil remained constricted. Our global sourcing again provided us with optionality to source feedstock from different markets and maintain supply during periods of disruption.

Strategic report (continued)

Markets

With the rollout of vaccines, curbs on movement lifted and businesses learning to handle the impacts of the pandemic, global demand for oil and products in 2021 began to return. As demand for oil bounced back in early 2021, markets were tight on supply as refinery outputs failed to match the rapid rebound in consumption.

Although record levels of inventory surplus built up in 2020, the faster-than-expected demand growth and production decline in 2021 eroded inventories and resulted in market backwardation.

As global refining production reduced, typical gasoline blend components such as naphtha narrowed and increased costs.

The increasing use of naphtha, as feedstock for the petrochemicals sector for single use plastics, continued to boost demand in 2021, narrowing availability and affecting our blend margins.

Similarly, as demand for hand sanitisers and other disinfectants continued, tightening availability of ethanol caused the price to rise relative to gasoline, affecting costs as E10 was made standard.

The growth in demand and decline in production of oil and products returned markets from contango to a backwardated price structure, meaning that forward prices were lower than prompt prices which allowed us to release product from our contango storage.

Biodiesel raw material supply

In 2021, the market continued to be constrained by further disruptions to raw material supply relating to lockdowns and tightening markets for chemicals used in biodiesel production.

Our flexible supply chains enabled us to adapt our sourcing to other regions and ensure supply for our plants.

However, as legislative blending obligations increased in the UK, Europe and North America, demand for high quality biofuels such as the ones we produce continued.

Our diversified global supply chains ensured we had sufficient feedstock to meet demand and supported healthy biodiesel manufacturing margins this period.

Demand growth

Road transportation fuel demand in the UK rose 12%¹ in 2021 compared to the decline of 18% in 2020 as movement restrictions were eased. Demand remains below pre-COVID-19 levels and is expected to stabilise at this level due to further efficiencies, changes in driving patterns and decarbonisation of the industry.

As consumer purchasing habits changed through the pandemic, diesel demand remained less affected as commercial deliveries increased driven by online shopping.

Import Market

The UK market remains reliant on fuel imports to meet demand. Domestic refiners continue to export product to achieve a higher margin, and imports are required to meet domestic demand.

As COVID-19 eased and demand increased, imports climbed in 2021, totalling 16.7 million tonnes (2020: 14.9 million tonnes). As an importer, we source product from other regions to provide optionality and ensure we meet demand.

¹ Source: JODI

Strategic report (continued)

Renewable Transport Fuel Obligation (RTFO)

In the UK, the percentage of biofuel that fuel suppliers are required to blend into their gasoline and diesel under the Renewable Transport Fuel Obligation (RTFO) continued to rise to 10.1% in 2021 and rising further to 17.4% by 2032.

If a supplier is unable to meet their obligation, they are required to pay a buy-out price. From 1 January 2021, the buy-out price has increased from 30p per litre to 50p per litre.

After introduction in 2019, in 2021, the Greenhouse Gas (GHG) legislation ceased. This legislation incentivised the lowest carbon biofuels such as the waste-based biodiesel we manufacture.

Development fuels

As part of the UK legislation, the RTFO also requires that a growing percentage of biofuel must be classed as development fuels (dRTFC).

Defined as new types of advanced biofuels made from sustainable wastes and residues, they are required to have a greenhouse gas savings threshold of at least 65% and represent a significant opportunity for Greenergy.

We are actively exploring opportunities to develop new and advanced forms of renewable 'drop-in' fuels, capable of replacing diesel and petrol components in conventional combustion engines.

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Compulsory Stock Obligation (CSO)

As a member of the International Energy Agency, the UK is required to maintain emergency oil reserves. This international obligation is passed on to industry through a Compulsory Stock Obligation (CSO), which requires all refiners and importers of fuel in the UK to hold a minimum level of stock, either as physical oil in tank and/or as 'tickets'. We continue to meet our obligation, and this represents an ongoing cost for our business.

Marketing and supply

As the UK's only national fuel supplier, with access to 25 supply locations and our own in-house haulage operation ensuring supply resilience for our customers.

Create cost and operational efficiencies

We work to create operational and supply chain efficiencies to reduce costs.

This year we:

- Benefited from the investments in Tees pipelines, allowing us to minimise ship discharge times
- Completed the dredging project at Navigator Thames, allowing larger ships to berth at the jetty and benefitting from economies of scale.

Continued to optimise our haulage patterns on a daily basis to deliver from the lowest-cost supply locations whilst ensuring reliable supply, generating cost savings

Strategic report (continued)

Source diesel from the lowest-cost global producers

In 2021, as economies began emerging from the pandemic, demand for diesel increased, quickly returning to backwardation. This change in market conditions put a strain on inventory levels curtailing supply across Europe and leading to record high prices.

Making use of our strategic import infrastructure, we were able to keep product costs low. We have capacity rights at the UK's only east-coast deep-water road fuel jetties, at Navigator North Tees, and have invested in pipeline connections between our Teesside facilities. This gives us the flexibility to source an optimal variety of cargo sizes and specifications at the lowest cost.

Blend gasoline from component products

We operate sophisticated gasoline blending systems at our three UK import terminals: Navigator Thames, Navigator Seal Sands and Inter-Terminals Seal Sands. This allows us to source and accommodate a wide range of components, creating optionality and flexibility in our gasoline blending.

As gasoline demand in Europe returned, weak refining margins and limited availability of key blending components led to demand outpacing supply. The scale of our gasoline blending operations and our unique IP allow us to source and accommodate a range of components and optimise our blends to meet renewable fuel obligations and our customer demands.

Health and safety

The sectors in which the Company operates bring a significant level of risk to our daily operations. We move and store fuel internationally. In the UK we also deliver fuel by road to our customers' sites, bringing us into contact with other road users and members of the public at retail forecourts.

The Group of which the Company is a member seeks to minimise the risks inherent in the business through the following:

- Ensuring everyone working in our business is properly trained for the work they do.
- Encouraging all individuals to observe and report hazards, near misses or unwanted events.
- Maintaining a programme of safety, health and environment (SHE) auditing, with regular safety tours by executive Directors and senior managers to all operating sites and offices.
- Investigating each reported observation or event systematically, so that lessons can be learned, and trends identified with review and updates to procedures.
- Carrying out detailed assessments of the facilities at customer sites and third-party supply terminals. By ensuring that potential hazards are addressed appropriately and by disseminating site-specific information, we can ensure the continued safety and welfare of employees, contractors and customers.

Strategic report (continued)

Future developments

COVID-19 has had an unprecedented effect on the world. We are confident that our experience in managing risk and volatility in our usual business equips us to deal with the challenges from the pandemic.

Looking beyond COVID-19, we are confident in the underlying strength of our business, and see future growth opportunities in renewables, retail, and fuel supply. In line with our strategy we also remain active in seeking further bolt-on acquisition opportunities across the world.

Climate change

Our business was founded to supply low emission diesel that offered significant air quality benefits. As we continue to grow, we remain committed to reducing emissions in transport fuels.

As the transport sector moves to decarbonisation, the role of gasoline and diesel fuels remain vital until other affordable alternatives are widely adopted, and different geographies have adopted differing timescales to decarbonise. Therefore, the most effective way to reduce carbon emissions for existing transport today comes from the blending of biofuels into gasoline and diesel.

As Europe's largest manufacturer of waste-based biodiesel, renewables are integral to our core strategy, and we continue to deploy significant capital to this area. This investment enables us to make both incremental improvements in our biodiesel manufacturing operations, and also progress new advanced biofuel projects such as converting waste tyres and municipal waste into renewable fuels.

Our priority has always been to tangibly reduce our emissions in both the fuel we supply and our own operations, and this has never been more important.

Currency

As part of our risk management processes, we continue to evaluate the impact of a weakening GBP. We are well equipped to manage currency fluctuations and take appropriate actions as required.

Financial risk management

The directors ensure there are adequate resources available to meet the funding requirements of the Company by managing risk and obtaining financial support from other Group companies.

Currency risk

The Company is exposed to currency risk to the extent where intercompany balances result in revaluation.

Interest rate risk

Interest on the Company's bank overdraft is charged on a daily basis based on LIBOR plus commercial margin.

Credit risk

The Company does not have any significant concentrations of credit risk, as the entity does not trade and therefore has no external trade receivable balances. Additionally, the entity does not have any significant deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Market risk

As the Company does not trade in commodities it is not exposed to commodity price risk. Foreign currency risk is managed by the Group's treasury team by hedging surplus assets and liabilities in foreign currencies on a monthly basis. The Company's interest rate risk is limited to interest earned and paid on the bank overdraft as outlined in note 18.

Strategic report (continued)

Key performance indicators

The Company uses a number of key performance indicators to evaluate the overall performance of the Company from a financial and operations perspective. The Company's key financial and other performance indicators during the year were as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
Gross profit (£'000)	206,793	122,692
Volume of fuel supplied (CBM)	14,296,165	12,919,000

Increase in gross profit is primarily due to increase in demand in all of our key regions following the easing of COVID-19 restrictions.

Volume of fuel supplied increased by 11% on prior year to 14,296 k cbm, primarily as a result of the easing of COVID-19 restrictions.

Strategic report (continued)

Principal risks and uncertainties

The Company operates in a global industry exposed to risk from a variety of sources. These risk areas pose challenges to all parties involved in oil markets and supply. The Company invests heavily in the management of these risks and in identifying and implementing responses to those risks.

The risks we face in our business, and the action we take to mitigate those risks, are formalised in a risk register which is reviewed regularly by the Board.

The principal risks to the Group are discussed in this section. This year, we have changed the metric used to quantify risk to increase transparency, and we see no material changes year on year to the residual risk faced by the business. The numerical range introduced has been used to quantify the magnitude of impact and likelihood of occurrence after mitigation, with 1 being negligible/low and 5 being extreme/expected.

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation ²	Likelihood Post mitigation ³
Executive Directors and Head of Process Integrity	Health, Safety and environmental incidents	<p>The personal health and safety of our staff and customers is our top priority, safety is embedded in our culture.</p> <p>Our operations involve the storage and processing of fuel products and the movement of these products by ship, train and truck, including deliveries to customer sites and retail sales. These activities bring us into contact with members of the public and with the environment.</p> <p>We focus on preventing major pollution, injury and/or loss of life due to systems or equipment failure.</p>	<p>Our Group Process Integrity function oversees our global operations and sets the standard for all activities. Personal and process management systems are based on best industry practice and implemented at both corporate and country level.</p> <p>As we expand internationally, we apply our auditing across all businesses on an appropriate timeline. Our approach is to ensure all activities are assessed, people trained, and all incidents are reported. Investigations are in an atmosphere of ownership and responsibility.</p>	4.5	2.5
Executive Directors	Pandemic	<p>A global outbreak of an infectious disease, increasing the risk of morbidity and mortality. As seen from the outbreak of the COVID-19, a global pandemic can have sudden and widespread impacts on our operations, global economies and the physical and mental health of our employees.</p>	<p>To protect our staff during COVID-19, we transitioned non-operational staff to working from home where possible and have implemented a raft of measures to protect our operational staff, such as those at plants, terminals and our drivers. As restrictions were eased, we have introduced control measures to safely return staff to offices and more staff to our plants and terminals. As restrictions have been introduced and eased once more, the flexibility of our control measures ensures we can provide a safe working environment and maintain operations.</p> <p>The approach taken allows us to make quick risk-based decisions to protect our team as different virus mutations arise, this includes the use of lateral flow testing and other measures to limit the impact across the Group.</p>	5	2.5

² Magnitude of impact is the inherent risk to the business and is unrelated to likelihood of occurrence after mitigation.

³ Likelihood is the residual chance of occurrence after mitigating actions and is unrelated to magnitude of impact.

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Executive Directors and ESG Committee	Climate Change		Greenergy is already a leading producer and supplier in the waste-derived renewable fuel sector. We see ongoing opportunities for our renewables business, as biofuels and other liquid renewable fuels continue to displace traditional fossil fuels.		
		Demand for fossil fuel products is being displaced by demand for renewable fuel products. In most of our markets, notably the UK, Ireland and Canada, this demand shift is being driven by legislation that aims to decrease carbon emissions.	We continue to invest in the area, including to bring to market development fuels not previously part of the supply chain, such as the waste tyre and municipal waste projects.		
		Increased use of electric vehicles will over time reduce the size of the markets in which we operate.	Our market will be impacted in the medium to long term by growth in use of electric vehicles (EVs). The Board is of the view that the risks of demand reduction from EVs are more than offset by the opportunities in liquid renewable fuel production.	4	3.5
		Extreme weather events and rising tides may affect production or supply, particularly in coastal areas..	There is a very long-term risk to our biodiesel manufacturing facilities and coastal import terminals from rising sea levels, but with current forecasts these are not expected to impact within the economic life of the facilities. The likelihood of our shipping and haulage activities being affected by adverse weather is likely to increase. We will continue to manage our supply chains rigorously to minimise disruption for customers.		
Executive Directors and Head of IT	IT Security	The profile and therefore the risk of cyber-attack is increasing for businesses globally. Threats present themselves in many forms, including viruses or targeted emails which create data integrity issues or loss of data, leading to inaccurate reporting or financial loss.	We work with leading external security specialists to improve our technology, staff awareness and evolve multiple layers of security to protect the business. Participation in specialist government/industry committees provides additional notification and ensures we remain aligned with industry best practice.		
		Unauthorised access to systems either internally or externally create risk of loss of data and exposure under GDPR legislations, local approaches to GDPR exist in many jurisdictions we operate in including UK, EU and Canada.	Our systems retain the same security and access restrictions in a remote working environment as they do when physically present in the office and as such are well structured for the new ways of working in response to the pandemic	4	3
		The pandemic created an increased risk of cyber-attack particularly through complex social engineering attacks as much of the workforce moved to a remote working platform, this has continued into 2022 with increased threat arising from the invasion of Ukraine.	in 2021 we moved our financials to a cloud based system, by moving to the most current and well supported version of the software we take advantage of the most up to date security measures. Our information security strategy is reviewed at Board level.		

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Executive Directors	Business Continuity	<p>Unforeseen extreme events are by their nature difficult to predict but have potential to cause severe impact on business performance and customer service.</p> <p>The current COVID-19 pandemic highlights the importance of planning and preparation of unforeseen events and our ability to respond.</p>	<p>The Group has a well-established and communicated crisis management plan, which gives a structured response to unforeseen events and detailed plans to ensure business continuity. This includes the setting up of response teams to co-ordinate a structured response to longer-term situations.</p> <p>There are comprehensive disaster recovery processes, tested regularly, which allow business operations to continue in the event of a disruption that impacts our critical systems or office locations.</p> <p>Office staff are well equipped to work remotely with secure access to all resources.</p> <p>During the COVID-19 situation we maintained operations to ensure continuous fuel supply for customers, drawing on our crisis plans to implement new ways of working to ensure minimal contact with colleagues and the public in executing our business.</p>	4	3
Executive Directors	Regulatory	<p>The Group is exposed to regulatory changes in all the regions in which it operates. These can significantly impact the cost of supplying fuel to the end-user, and it may not always be possible to pass on additional costs through our supply chain. The ongoing situation in Ukraine impacts on global supply increasing the cost of sourcing fuel in compliance with sanctions.</p> <p>Any change to global sanctions and tariffs can also disrupt our supply chain, increasing costs.</p> <p>Examples of historical changes have included:</p> <ul style="list-style-type: none"> • The UK's Renewable Transport Fuel Obligation (RTFO) and Greenhouse Gas (GHG) obligation schemes which set out the requirements to blend biofuels into road fuel • The UK standard moving from an E5 standard to E10 (maximum 10% ethanol for gasoline) in 2021. • The exit from the United Kingdom from the European Union (Brexit) in 2020. 	<p>Our global supply chain allows us to switch product sourcing between regions as required. We have multiple sourcing and delivery locations for all our products, allowing us to provide reliable low-cost supply into any of our supply destinations.</p> <p>As Europe's largest manufacturer of biodiesel from waste, we are well placed to meet growing demand resulting from higher UK blending obligations. We operate three biodiesel plants in the UK and the Netherlands.</p> <p>We continue to invest in projects to meet the RTFO legislation that requires a growing portion of biofuels to be derived from development fuels, such as our waste tyre project which is currently in development.</p>	3.5	2

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Chief Financial Officer	Currency Risk	<p>We purchase fuel products mainly in US Dollars and Euros. Because the international oil markets generally price in US Dollars, and our customers generally wish to purchase fuel products in their domestic currency, there can be a significant foreign currency exchange risk inherent in this part of our business.</p> <p>Without mitigating action, the nature of our business creates significant currency exposure, as we expand further into new markets and operations this has increased in recent years.</p>	<p>To eliminate transactional foreign exchange risk, our treasury department ensures that, at all times, the financial assets denominated in a particular currency match the financial liabilities denominated in the same currency.</p> <p>As a further control, balance sheets for each of our major currencies are prepared on a monthly basis and any surplus assets or liabilities are hedged as appropriate. In response to market and exchange risks we continue to develop and refine our internal control processes and hedging mechanisms.</p> <p>Our experience in managing market volatility provides us with the expertise to manage any increase currency volatility, for example from Brexit.</p>	4.5	2.5
Executive Directors	Loss of Key Staff	<p>Loss of key staff would mean loss of knowledge and skills to the Group. As we expand, the need for the strength and depth of the senior management increases.</p> <p>The Group's response to COVID-19 has reinforced the ability of the workforce to operate effectively in a wider range of settings. The increased expectation for flexible working and the failure to provide this could lead to staff losses.</p>	<p>Staff retention and succession planning is carried out with a focus on both culture and financial reward, including an established performance related pay scheme.</p> <p>We have a strong focus on wellness and mental health supported by a number of initiatives including an Employee Assistance Programme.</p> <p>There is good management connection and team building between different offices and a long-serving senior management team.</p> <p>Our business preparedness plans review our dependence on key staff and our ability to respond to events to ensure staff are available to maintain business continuity.</p> <p>As we look to return our staff to offices and other locations following COVID-19 restrictions, we are committed to offering staff flexible working options around returning to site post COVID-19.</p>	3	2

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Ethics & ESG Committees	Bribery and corruption, codes of conduct, ethics and good governance.	<p>The business sources product globally from a wide variety of suppliers, counterparties, agents and intermediaries.</p> <p>As we expand internationally, we sell to customers on increasingly complex terms with the number of counterparties connected to transactions increasing. There is a need to ensure compliance with domestic and international rules around full disclosure of business dealings, codes of conduct and controls on facilitation and equivalent payments (such as those stipulated in the UK under the Bribery Act 2010).</p>	<p>The Group has in place clear and company-wide policies to inform and set limitations and prohibitions, including reporting of conflicts of interest, a gift register and a record of supplier/customer entertainment and regular ethics/ABC training sessions. Staff across the business have greater awareness and visibility of our policies from this training. We identify any roles, which may be considered to be high risk and ensure those staff members particularly are aware of the requirements placed on them.</p> <p>The Group has established an "ethics hotline" to allow staff to report concerns and we have rolled out a process of agreement to a code of conduct by all non-driver staff.</p>	2	2
Executive directors	Oil Price Volatility	<p>Fluctuations in fuel product prices can result in a difference between purchase and sales prices. Unless managed, these fluctuations could very significantly impact purchase and sales margins.</p>	<p>Our comprehensive control processes and hedging mechanisms are in place to limit exposure to oil and product price fluctuations.</p> <p>The objective of these mechanisms is to match our priced physical positions (generated from spot and term contracts entered into with suppliers and customers with equal and opposite hedging instruments).</p> <p>Our risk committee assesses and limits exposure to particular markets and products to ensure that risk is in line with company appetite.</p> <p>In response to global supply and demand risk, we maintain an active forward purchasing and sales activity hedged with appropriate market instruments. Sales contracts also include floating elements which are linked to market prices which reduces exposure to fuel product price rises.</p> <p>Significant changes in demand, such as seen in early 2020 as a result of COVID-19, caused more intense price fluctuations in the oil and product markets, as we move into 2022 the invasion of Ukraine has again caused extreme price fluctuations. Our controls to mitigate the effect of volatility, whatever the cause, allows us to minimise its impact on the business.</p>	4.5	4

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Executive directors	Interruption of fuel supply to customers	<p>An event which significantly interrupts the supply of fuel to our customers has potential to cause reputational, commercial and financial damage.</p> <p>Supply disruption could be market-wide or site-specific:</p> <ul style="list-style-type: none"> A political or physical event in a major oil producing nation or a significant supply location could disrupt supplies Weather-related shipping delays, industrial action, a fuel quality issue or an IT failure could cause product unavailability at a specific supply location. <p>Events that significantly disrupt the normal demand for fuel (e.g. industry haulage shortage in 2021) where disruption to competitors create a panic situation affecting our ability to meet demand.</p>	<p>Supply resilience is central to our mission. By maintaining optionality across our supply chain, we minimise reliance on any single supplier, supply location or haulage provider.</p> <p>Our access to storage allows us to effectively manage product availability and ensure supply resilience for customers.</p> <ul style="list-style-type: none"> With our flexible global supply chains and our deep-water infrastructure, we can quickly switch our purchasing to other locations in the event of a major event disrupting oil flows In Europe, our global product sourcing, network of storage and supply locations, in-house and third-party haulage arrangements all give operational flexibility and the ability to switch to other sites in the event of an outage or closure at one location. <p>In North America, supply resilience is achieved by combining rail and import infrastructure, giving us the ability to source from local suppliers and also from the USA and Europe.</p>	3	2
Chief Operating Officer	Product quality issue	<p>The supply of fuel failing to meet quality standards could lead to significant reputational damage and remediation costs.</p>	<p>The risk of a field quality issue is minimised through extensive operational controls embedded within our quality management system and certified to ISO 9001. This includes independent product quality tests on receipt of product, in tank and prior to releasing product for customer deliveries.</p> <p>Our own procedures go above and beyond national standards.</p>	3.5	1.5

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Risk Committee	Counterparty risk	<p>Our global supply chain means that we transact with a wide range of counterparts around the world. Failure of any of these parties to perform could affect our results.</p> <p>There is also the risk that counterparts behave in a fraudulent or unethical manner, including bribery and corruption or failure to comply with requirements of the UK modern slavery legislation, placing our supply chain at risk, and exposing the company to increased risk of litigation as well as compromising our ability to comply with mandated sustainability schemes.</p> <p>Recent events, including COVID-19, left customers with significantly weakened balance sheets increasing the risk of default.</p>	<p>We have a robust KYC process on all new counterparts to ensure that companies not previously known to the Group are thoroughly checked.</p> <p>Our risk committee monitors and sets appropriate trading levels for all counterparts ensuring that risks of trading are well managed and reported.</p> <p>We use third party auditors to ensure that our biofuel supply chain is compliant with the regulations of the UK RTFO scheme. We focus on knowing our suppliers and maintain regular contact through our purchasing, sustainability and credit teams. Credit insurance is maintained where considered appropriate.</p> <p>We proactively manage our counterparty risk and exposure daily. Drawing on our strong relationships with counterparts, we are able to quickly identify counterparts that may be experiencing increased cash flow pressure. Throughout the COVID-19 situation we worked actively with those impacted to ensure that any disruption to supply or payments did not create a default, this continues as the impact of COVID is still felt and with current market disruptions in early 2022.</p>	4	3.5

Strategic report (continued)

Principal risks and uncertainties (continued)

Ownership	Title	Risk	Mitigation (Detail)	Magnitude Pre mitigation	Likelihood Post mitigation
Chief Operating Officer	Biofuel compliance risk	<p>To count towards our biofuel supply obligations under the UK's RTFO, biofuel must meet independently audited sustainability and carbon requirements. With a buy-out fee currently set at 50p per litre, audit failure would have significant financial implications for the business.</p> <p>In Canada, fossil fuel suppliers are required to comply with minimum biofuel blending and reporting obligations or buy Compliance Units from biofuel producers or importers.</p> <p>For all jurisdictions we comply with the criteria set out in the local legislation be that in the EU REDs and the implementation by member states or in other states biofuel legislation.</p>	<p>We own and operate three biodiesel production locations, our manufacturing facilities are certified by the ISCC sustainability and carbon system, making the biodiesel we produce automatically compliant with RTFO criteria, and we also work with raw material suppliers to implement our ISCC accreditation in their supply chain.</p> <p>We have invested upstream in the supply chain providing us with greater visibility of our biofuel supply chain and increased confidence of its sustainability data.</p> <p>In Canada, we blended sustainable biofuels above our blending obligation and sell Compliance Units to other parties. A trained compliance team fulfils our reporting and auditing requirements.</p>	4	2
Head of Treasury / Chief Financial Officer	Liquidity	<p>Greenergy requires access to funds in order to execute its business. Periods of high prices or extreme volatility increase the cost of operating the business as well as the level of funds required as security for trading activities.</p> <p>In 2021 periods of high market volatility increased the level of collateral to be placed with trade finance banks beyond levels that have been observed in recent years.</p>	<p>We maintain a commercial borrowing facility with a group of lenders which provides capital to the business, this facility is regularly reviewed and sized for a likely range of oil prices. There are options to increase the facility should market prices dictate a need and we retain sufficient collateral to do so as required.</p>	3	3.5

Strategic report (continued)

Streamlined energy and carbon report

Energy consumption

We continually look to improve all of our processes, making them more efficient and sustainable to reduce the impact of our operations.

Energy consumption increased across the Company in 2021 from 2020 as demand for road fuels returned following the easing of COVID-19 restrictions that were implemented through 2020.

Energy consumption (MWh) across the Company

	2021	2020
Non-renewable fuel	5,500	9,647
Renewable fuel	272	946
Non-renewable electricity	44,640	48,283
Renewable electricity	23,801	6,749
Heat	304,545	300,282
Total non-renewable energy	354,685	358,212
Total renewable energy	24,073	7,695
Total energy consumption	378,758	365,908

Total energy consumption does not include scope 3 emissions.

Carbon emissions

We are committed to reducing our emissions from our operations, and the products we supply. We do this by continually improving our processes to operate more efficiently and our using our expertise and continued leadership to develop waste-based renewables.

This year, our CO₂e emissions declined from 69k mt to 65k mt as we benefitted from investments in our operations to improve efficiency.

CO₂e emissions (metric tonnes) for the Company

	2021	2020
Scope 1 – direct emissions from operations	59,322	59,366
Scope 2 – indirect emissions from purchased energy	5,771	10,312
Total	65,094	69,678

Intensity figures

	2021	2020
Tonnes CO ₂ e per cubic metre of product sold	0.0016	0.0017

Scope 3 - CO₂e emissions (metric tonnes) from business travel only

	2021	2020
Flights	28	71
Train	2	2
Car travel	43	55
Total	73	128

Strategic report (continued)

Streamlined energy and carbon report (continued)

Methodology

Conversions from Greenergy operational data have been calculated in accordance with the Defra Conversion Factors 2020 (version 1.0 expiry 31 July 2022), except for office workers where an industry standard carbon factor was used as government data was unavailable.

We have included all emissions classified in Scope 1 (fuel combustion, company vehicles and fugitive emissions) and Scope 2 (purchased electricity) of the World Business Council on Sustainable Development and World Resources Institute Scope GHG Protocol. Following an independent review, natural gas and kerosene usage has been reclassified as Scope 1 in 2021, rather than Scope 2, and 2020 figures have been restated). Certain aspects of Scope 3 have also been included as required, relating to business travel in addition to waste and water where information is available. Further Scope 3 emissions will be included from 2022.

Emissions associated with office and travel have been allocated to the relevant business unit.

KWh figures follow same methodology as CO₂ calculations, using conversion factor where necessary.

Task Force on Climate-related Financial Disclosures (TCFD)

As part of the Group, we support the recommendations of the Task Force on Climate-related Financial Disclosures and are continuing work to align with it before it becomes a mandatory requirement in the UK.

Strategic Report (continued)

Corporate governance report

Under the Companies (Miscellaneous Reporting) Regulations 2018, large private companies are required to disclose their corporate governance arrangements to ensure sustainable and responsible governance practices extend to private limited companies.

All entities in the Greenergy Group operate under the Group Corporate Governance Framework mandated by the Board of Directors (the "Board"/Board) of the parent company, Greenergy Group Holdings Limited. The Group has adopted the Wates Principles as part of its governance framework, and considers these an integral part of its approach to governance.

Purpose and Leadership

The Group's mission is to deliver long-term value for our stakeholders through the production and distribution of waste-derived renewable transportation fuels. We are guided by our values and do this by evolving our supply chain, retaining strong customer relationships, delivering change through innovation and acting responsibly and being accountable.

Our mission is more than supplying products and services, it includes the way we do our business, our interactions with customers, our governance and values.

Our values underpin every interaction we have, whether with colleagues, customers, suppliers and the communities in which we operate.

The close relationship between effective Governance and effective Executive authority and action is at the heart of this process and our business.

Day-to-day operations of the Group are managed by the Executive Leadership Team, comprising thirteen members of senior management (female: three) who have executive authority to make key decisions on operational, commercial and key stakeholder matters. The Executive Leadership Team meet formally and informally on a weekly basis to discuss key stakeholder matters and make decisions within their Executive Authority. In addition to these meetings, the Executive Directors also meet on a weekly basis.

The Executive Leadership Team receives its mandates and guidance from the Board and the Sub-Committees, each with a particular mandate, which have been established to directly advise and engage with the company. They in turn give mandates and guidance to the senior management team with weekly Management meetings as well as regular engagement through emails, blogs and stewardship meetings with the functional heads.

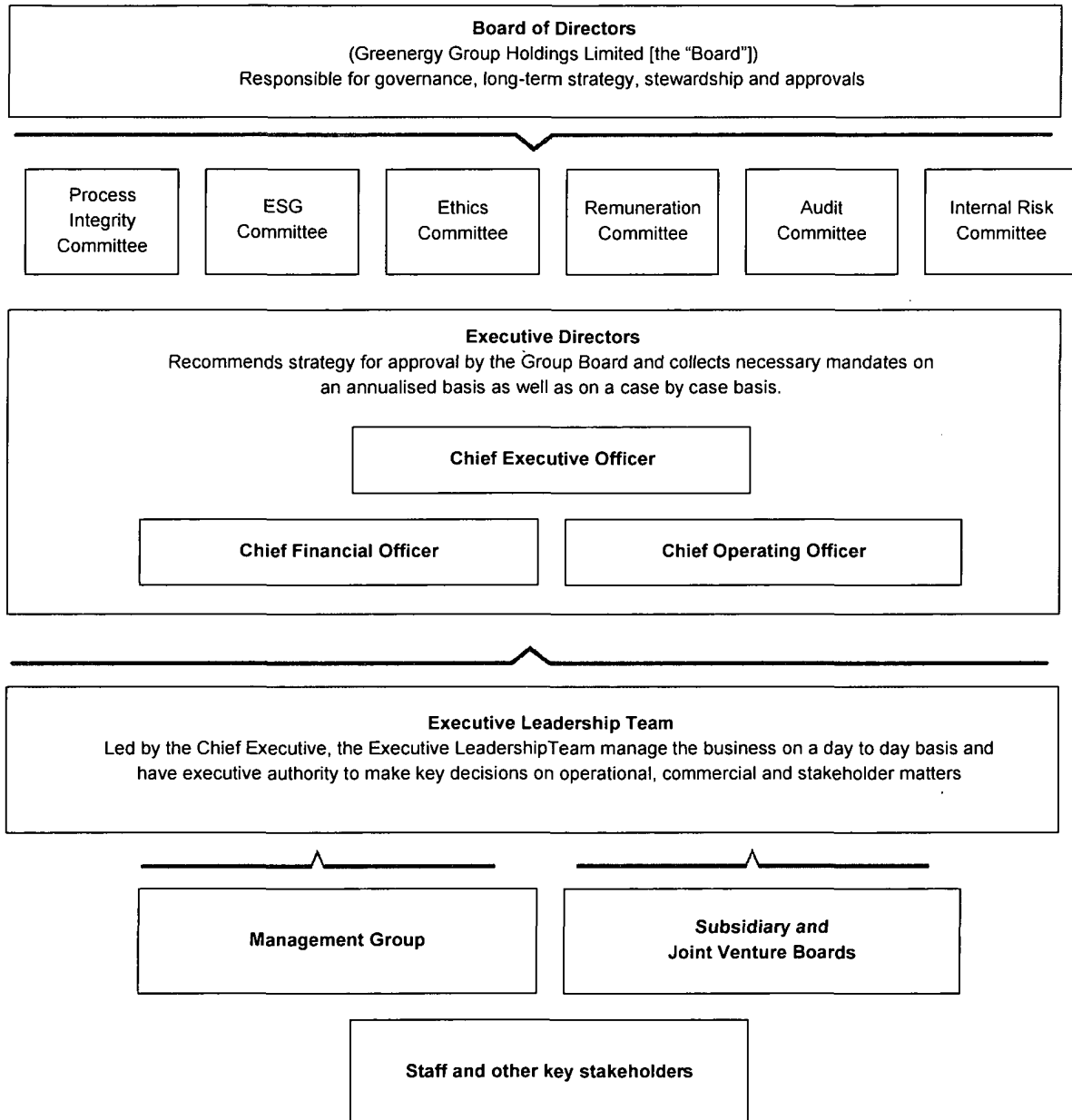
This framework ensures that the Greenergy Group's executive and core management team are empowered with the appropriate level of authority to make decisions on behalf of the individual operating entities.

Throughout the year, the primary focus for the Board and Executive Leadership Team was to ensure the Group was able to successfully navigate through the pandemic, and actively review projects to drive the energy transition and grow the business.

As the energy transition accelerates, Greenergy's history of being an innovative transportation fuel producer and supplier remains a key focus for the Board, as we look to continue developing cleaner, greener fuels. This is supported through the Group's purpose and mission, supported by our business plan and strategy.

Strategic Report (continued)

Governance Framework



Strategic Report (continued)

Governance Framework (continued)

Board composition

The Board remains unchanged, and comprises three executive directors, the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer and seven non-executive directors, including a non-executive Chairman.

Certain reserved matters such as governance, long-term strategy, mergers and acquisitions, restructuring and commercial deals over a certain size or duration are submitted to the Board for advice and ultimate approval. The composition of the Group Board is considered appropriate for the size of the Group, with the directors bringing a wide range of commercial and industry experience, ensuring a well-balanced range of views and experience.

The directors recognise the Board composition lacks diversity. We are committed to supporting diversity and inclusion across the entire workforce and in particular continuing to improve diversity among the senior management and executive leadership teams.

Directors' responsibilities

The Board is continuously improving its approach to Corporate Governance ensuring clear responsibilities are allocated to individuals and sub-committees and reviewing if the strategy is still fit for purpose, requesting updates from the sub-committees and subject matter experts.

At the beginning of each year, Quarterly recurring board meetings for Greenergy Group Holdings Limited are scheduled for the year and dates are set. Two additional strategic board meetings are set to discuss and define the Group's strategy and five year strategic plan.

Board meetings are a mechanism to evaluate and review business operations and how they align with the Group's overall strategy and the impact on our key stakeholders. The key activities and decisions undertaken by the Board in 2021 are outlined in the 'Section 172(1) Companies Act 2006 Statement' on pages 24 to 32.

Each board meeting follows a considered agenda, agreed in advance by the Board. Within the set sections there are certain standing items such as review and discussion on Process Integrity data and events and Governance. There are also special topics which are added to individual sections as required with non-board Executives and key management periodically invited to Board meetings for specific items to provide their expertise to the Board discussion dependent on matters under consideration.

Prior to COVID-19, Board meetings would be held at different locations to allow the non-executive board members the opportunity to meet staff at different locations. It is planned these will resume in 2022.

Opportunity and risks

Greenergy's mission, values and overall Group strategy guide the Board's decisions to promote and deliver long-term value, taking advantage of opportunities which arise whilst ensuring an appropriate risk framework is in place to manage the risks we face in our business.

The Group's Risk Committee, chaired by the Chief Financial Officer, aims to assist the Board in the fulfilment of its corporate governance, establishment of procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

Principal risks are identified across the business at all levels, to ensure those are registered and reported to the Board along with the mitigation plans associated with them. The risks we face in our business, and the action we take to mitigate those risks, are formalised in a risk register on pages 10 to 17 which is reviewed by the Risk Committee and formally approved by the Board.

Different business units assess the risk in their area of expertise, with the Board being informed of such risks to establish the level of risk accepted to meet its strategic objectives.

Strategic Report (continued)

Governance Framework (continued)

Remuneration

The role of Greenergy's Remuneration Committee is to determine the strategy and policy in relation to terms and conditions of engagement (including remuneration) of the senior management of the Greenergy Group and to determine the specific total remuneration of the Senior Management (including payments and awards under annual bonus plans, share incentive schemes, pension schemes and any other compensation arrangements).

The Committee is responsible for the development of the remuneration policy which ultimately is approved by the Board. It also regularly reviews the on-going appropriateness and relevance of the remuneration policy to ensure compliance and appropriate consistency and effectiveness of application, and, if necessary, make proposals for changes.

Greenergy strives to be and remain a preferred employer, attracting and retaining talent at all levels, developing and promoting where possible from within.

Stakeholders

Stakeholder engagement is considered crucial by the Board, and this is applied at all levels of the organisation supported by the Leadership Team and reported to the Board.

All stakeholders are appropriately considered throughout our decision-making process and consulted and engaged regularly through dedicated surveys or meetings, including tailored initiatives. The impact that activities might have on each stakeholder is balanced and assessed throughout the decision-making process to ensure the stakeholder's interests are appropriately considered.

Our key stakeholders, how we engage with them, and the effect stakeholders have on Board decision making is outlined in the 'Section 172(1) Companies Act 2006 Statement' on pages 24 to 32.

Strategic Report (continued)

Section 172(1)⁴ – Our stakeholders

Our relationships with our stakeholders are essential for us to deliver on our mission. This section summarises our key stakeholders for all entities in the Greenergy Group, including Greenergy Fuels Limited, and their interests, how we regularly engage with them, and the effect stakeholders have on board decision making.

Our stakeholders

Colleagues	
Our people are our most important asset. They are a reflection of our culture and values and are essential to upholding our values and delivering on our mission.	
Our priorities <ul style="list-style-type: none"> Ensuring all staff can perform their roles safely Ensuring diversity and inclusion across our workforce Ensuring that all key positions are filled with the best person for the job Maintaining high employee engagement Instilling our culture and values with rapid employee growth Developing skills and talents of our people Supporting the mental and physical health of our people. 	How we engage and communicate <ul style="list-style-type: none"> Safety underpins all that we do. Lessons Learned and safety updates are shared with employees across the entire business Colleagues are kept informed of performance and strategy through Staff Reviews and Monthly Meetings. All executives regularly engage with our colleagues around the business Our Intranet provides regular updates of what is going on around the business, along with regular updates from the CEO Prior to COVID-19, staff conferences were seen as an important opportunity to foster team building and instil our values across the business. We look forward to hosting these when we are safely able to The Knowledge Hub provides a learning and development tool for our colleagues, to provide people with a range of programmes that be accessed anywhere on any device.
Shareholders	
Our shareholders support the growth of our business to achieve our long-term growth objectives.	
Our priorities <ul style="list-style-type: none"> Demonstrate sound financial and operational performance, in line with the Group strategy. 	How we engage and communicate <ul style="list-style-type: none"> Involvement at board meetings Regular communications such as financial updates, investment plans and capital allocation.

⁴ In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 'S172(1) statement'. Pages 24 -32 are our section 172(1).

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Environment	
Our business was founded in the 1990s to supply low emission diesel, and our commitment to do no harm to people or place continues today.	
Our priorities <ul style="list-style-type: none"> We recognise the urgent need to further reduce greenhouse gas emissions in the transportation sector We are investing in the sector to expand our renewable fuel production and explore new, innovative ways of producing fuel from renewable resources. 	How we engage and communicate <ul style="list-style-type: none"> Reducing the environmental impact of our activities by continued investment in process improvements at our plants to improve efficiency of our operations Manufacturing biodiesel from waste raw materials, rather than virgin vegetable oils, giving higher carbon savings and reducing land-use impacts Involvement in round table discussions and industry consultations on best practice Introduction of Sustainability Report to include detailed carbon reporting, increasing transparency of our operations.

Customers and Suppliers	
Our customers include supermarkets, major oil companies, commercial users, independent retailers and consumers. Our customers rely on us to run their business, and our relationships with our suppliers allows us meet these needs.	
Our priorities <ul style="list-style-type: none"> Build supply chain optionality through our relationship with our suppliers Develop long-term relationships with suppliers who support our strategic growth objectives. 	How we engage and communicate <ul style="list-style-type: none"> By living our mission, in every interaction we have Dedicated and engaged teams, who are available to our customers when they needs us most. Our local Customer Care teams remain a key differentiator in our offer and allows us to support our customer when they need it most Regular and timely communications, including financial and operational updates throughout the year. We understand the important role our suppliers and partners have in achieving our growth objectives.

Communities	
We believe in supporting our communities. Our charity programme and our STEM projects help support our communities.	
Our priorities <ul style="list-style-type: none"> Through our charity programme, help fund a range of charity initiatives with a directly identifiable benefit Engage with our local communities through STEM projects that provide information and inspiration to young people considering their future careers. 	How we engage and communicate <ul style="list-style-type: none"> The total charity budget is determined by the Board, however the allocation of funds is nominated by charity teams that involve all employees of the Group, with the Charity Committee making the final decision Employees are encouraged to work closely with the charities to understand how funds will be used The Charity Committee is made up of volunteer staff, and each team within the business is led by a Captain to encourage engagement Through our STEM projects, we aim to work with local schools and educational colleges to inspire students, and demonstrate tangible career options that are available through STEM. COVID-19 has created challenges in delivering this programme, but it remains a priority.

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Government	
As a fuel supplier, we maintain close relationships with Government bodies in the regions we operate.	
Our priorities <ul style="list-style-type: none"> Develop productive relationships with Government bodies, particularly in the UK where we provide a critical role in the national supply chain. 	How we engage and communicate <ul style="list-style-type: none"> Regular meetings and communications with our Government contacts to provide business updates Involvement in round table discussions and industry consultations.

Financial institutions	
We rely on support from our banks to fund our ongoing working capital requirements to allow us to operate in the way in which we do.	
Our priorities <ul style="list-style-type: none"> Develop long-term relationships with a syndicate of banks and other institutions to support our ongoing business. 	How we engage and communicate <ul style="list-style-type: none"> Monthly financial and operations update provided to our lenders Annual all banks presentation on our results and outlook and strategy for the years ahead Regular ad hoc meetings with all lenders to discuss business operations.

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Board Activities

Process Integrity			
	Our decision Process	Our decision	Interested Stakeholder Groups
Identification of resource gap With expansion into retail in Canada, it was recognised that our existing process integrity team was not resourced sufficiently	<ul style="list-style-type: none"> The Board discussed the Process Integrity (PI) resources the business had following the acquisition of the Canadian retail footprint in 2020. The Group's PI Committee Chairman presented an update on resourcing and the challenges the business faced in addressing PI across its growing retail estate 	The Board agreed it would be appropriate for the business to increase resources in Canada to support the growth in its business	<ul style="list-style-type: none"> Our colleagues Our shareholders Our customers and suppliers Our communities The environment
Reduction in hazardous observations The Board observed a reduction in hazardous observations across the Group. Hazardous observations is the first line of defence to ensure events do not lead to injuries	<ul style="list-style-type: none"> Process Integrity (PI) is the first standing agenda item at all Board and Executive meetings The PI Committee Chairman presented an update on PI to the Board including trends on health and safety events The Board observed a downward trend in hazardous observations across the Group. The Board discussed the reasons for this and the impacts the pandemic had on staff addressing hazardous observations The PI Committee Chairman outlined the proposed approach to address these issues 	The Board supported the approach outlined by the PI Committee Chairman including: <ul style="list-style-type: none"> A targeted campaign across all sites and office locations to reiterate the importance of health and safety; The rollout of a QR code at each location to make it easier for all staff to submit hazardous observations 	<ul style="list-style-type: none"> Our colleagues Our shareholders

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Environment, Social & Governance (ESG)			
	Our decision Process	Our decision	Interested Stakeholder Groups
<p>Climate Change</p> <p>The Board recognises the Group has a responsibility to address climate change.</p> <p>Sustainability is integral to the way in which Greenergy operates. It is embedded in our history and is a key part of our values and culture</p> <p>Our business was founded to supply low emission diesel that offered significant air quality benefits. As we have grown, we have remained committed to reducing emissions in transport fuels.</p>	<ul style="list-style-type: none"> The Board discussed setting appropriate sustainability targets and the desire to have ones which are both ambitious and achievable The Board reviewed where the business was today, and discussed ways in which it could get to the desired outcome and what impact this would have on the business 	<p>The Board agreed to the following key priorities for the Group to address carbon emissions:</p> <ul style="list-style-type: none"> Expand production and supply of waste-based biodiesel Establish diverse and sustainable supply chains with robust certification systems Develop new forms of renewable liquid fuels 	All
<p>2021 Sustainability Report</p> <p>Many Greenergy businesses exist in direct response to international climate change drivers. For example, biofuel manufacturing, ethanol blending and used cooking oil collection. In recent times there has been a push towards alternative fuel solutions and laws enacted to reduce emissions over decades ahead.</p>	<ul style="list-style-type: none"> The Board discussed the growing requirement from stakeholders for transparency and reporting of KPIs related to Environmental, Social and Governance (ESG) factors The Board discussed how best to communicate to its stakeholders, what the Group is doing in respect of ESG and how the company addresses it 	<p>The Board approved the publication of the Group's inaugural Sustainability Report for the year ended 31 December 2021</p>	All

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

People			
	Our decision Process	Our decision	Interested Stakeholder Groups
<p>Purpose, mission, values</p> <p>In 2020, the Board agreed it was appropriate to review and update the purpose, mission and values of the Group to better reflect the Group's position in the Energy transition</p> <p>The purpose, mission and values remain core to how the Greenery Group operates.</p>	<ul style="list-style-type: none"> The Board reviews these as part of the overall Group five year business plan and discusses whether any changes are required to ensure these remain appropriate for our business and our stakeholders, and that the Group continues to evolve. 	<ul style="list-style-type: none"> The Board approved changes to the Group's purpose, mission and values to ensure that they more accurately reflect the Group's position in the global energy transition The statements are published on our website and are reinforced at the start of all internal staff presentations. 	<ul style="list-style-type: none"> Our colleagues Our shareholders Our customers and suppliers Our communities The environment Government Financial institutions
<p>Return to the Office</p> <p>Whilst the majority of staff continued to work in the field over the course of the pandemic, as vaccination rates increased across the globe the Group needed to consider how we could have office-based staff return to the office.</p> <p>Consideration was also given to inter-office and operational site visits.</p>	<ul style="list-style-type: none"> The Group's COVID-19 Taskforce which was established at the onset of the COVID-19 pandemic continued to oversee and plan for impacts on all elements of the business from the pandemic. The Board was presented with regular updates of the impact pandemic was having on all elements of the business. 	<ul style="list-style-type: none"> The Board approved investment in improving technology to allow virtual working between the offices and sites The Board considered and challenged the proposed return to work plans, including discussion around the need for balance between the desire to bring employees together and ensuring it is done in a safe and appropriate manner. 	<ul style="list-style-type: none"> Our colleagues Our shareholders

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Financial			
	Our decision Process	Our decision	Interested Stakeholder Groups
Renewal of the Group's borrowing base The Group relies on a working capital facility to finance its ongoing business. The facility was due to expire on 14 April 2021. Negotiations for its renewal and extension commenced in Q4 2020.	<ul style="list-style-type: none"> The CFO presented an overview of the working capital facility to the Board. The Board considered the current and future capital structure of the Group. 	<ul style="list-style-type: none"> On recommendation of the Group CFO, the Board agreed to extend the Group's financing facility for an additional two years to April 2023 	<ul style="list-style-type: none"> Our colleagues Our shareholders Our customers and suppliers Government Financial institutions
Capital expenditure for IT project The Group uses a number of IT systems to operate its business. An ongoing project to rationalise the systems where possible is being undertaken to simplify the end-to-end platform	<ul style="list-style-type: none"> The CFO presented an investment case and rationale systems and expand its main trade capture and operational management system The Board considered the investment and the benefits of having the systems integrated This investment would allow for end-to-end supply chain management and integration into its primarily ERP system, Oracle Cloud 	<ul style="list-style-type: none"> The Board approved a capital budget to invest in the expansion of the capability of its primary trade capture system 	<ul style="list-style-type: none"> Our colleagues Our shareholders Our customers and suppliers Government Financial institutions
Insurance renewal The Group maintains a global insurance program to provide coverage. This includes a credit insurance platform to insurance its counterparty risk. With renewal due, the Group undertook a review of its coverage and insurance provider to ensure it was fit for purpose	<ul style="list-style-type: none"> The Board was presented with an update on the insurance market and rising premiums As assessment of the current credit insurance policy was provided to the Board along with alternative options 	<ul style="list-style-type: none"> On recommendation of the Group CFO, the Board approved the change of credit insurance providers 	<ul style="list-style-type: none"> Our shareholders Our customers and suppliers Financial institutions

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Strategic Priorities			
	Our decision Process	Our decision	Interested Stakeholder Groups
<p>Installation of EV chargers across Irish retail forecourts</p> <p>Following the acquisition of Amber Petroleum retail estate in Ireland, the group gave consideration to what investment it could be made at its forecourts operating under Inver and Amber brands its to support the energy transition.</p>	<ul style="list-style-type: none"> The Board was presented with an investment case to support a collaboration with ESB to install rapid and high powered EV chargers across its Irish retail footprint. In addition to the financial case, the Board gave consideration how the investment aligned with its wider mission, values and ESG priorities 	<ul style="list-style-type: none"> The Board approved the collaboration with ESB 	<ul style="list-style-type: none"> Our colleagues Our shareholders Our customers and suppliers Our communities The environment Government Financial institutions
<p>Production of advanced biofuels from municipal waste</p> <p>Supporting our priority of developing new forms of renewable liquid fuels, the Group has agreed to invest in a project to produce advanced biofuels from municipal waste in the UK</p>	<ul style="list-style-type: none"> The board reviewed the investment case for the project Several executive and non-executive Board members visited the joint venture partners pilot site The Board assessed both the financial and non-financial implications of the project The Board gave consideration to the evolving legislative environment and the ability of this project to help reduce carbon emissions through the production of lower carbon renewable fuels. 	<ul style="list-style-type: none"> The Board decided to proceed with committing resources and capital to invest in the Front-End Engineering Design (FEED) phase of the project 	<ul style="list-style-type: none"> Our colleagues Our shareholders Our customers and suppliers Our communities The environment Government Financial institutions

Strategic Report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Legal and regulatory			
	Our decision Process	Our decision	Interested Stakeholder Groups
Approval of statutory accounts The Group prepares statutory financial reports which are not only a legal requirement but are used by our stakeholders to understand the financial performance and decisions taken by the Group.	<ul style="list-style-type: none"> The final statutory accounts and any adjusting items are presented to the Audit Committee. The audit committee reviews these and once satisfied, recommends to the Board to approve the statutory accounts. 	On the recommendation of the Audit Committee, the Board approved the statutory accounts and authorised them for issue.	<ul style="list-style-type: none"> Shareholders Financial Institutions Our customers and suppliers
Introduction of E10 in UK In 2021 the UK changed the gasoline fuel specification from a maximum 5% ethanol to 10% ethanol	<ul style="list-style-type: none"> The Board discussed impacts the legislative change would have on the business The legislative changes have impacts on the Group's processes, systems, and commercial offering 	<ul style="list-style-type: none"> An operation action plan to be prepared to address the changes to the E10 legislation Engagement with our customers and the wider industry to be undertaken to ensure minimal effect to our customers. 	<ul style="list-style-type: none"> Our customers and suppliers Our colleagues Our shareholders The environment Government

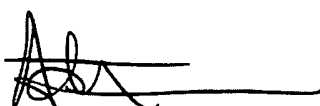
The Directors of the Company and Group have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and Group for the benefit of its members as a whole.

The Directors present their strategic report for the Company for the year ended 31 December 2021 on pages 2 - 32.

Review of the business

The review of the business can be found on page 2.

Approved by the board of Directors and signed on its behalf by:



A J Traeger
Director

12 April 2022

Directors' report

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2021.

Directors' report for the year 1 January to 31 December 2021

In accordance with s414C(11) of the Companies Act 2016 information relating to subsequent events, future developments, Key Performance Indicators, streamlined energy and carbon reporting and financial risk management have been included within the strategic report.

Results and dividends

The Company made a profit for the financial year of £66,429,000 (31 December 2020: loss of £7,579,000).

Interim intragroup dividends declared in the year were £22,381,000 (31 December 2020: £12,794,000 paid). Of the total intragroup dividends declared, the Directors proposed a final dividend of £nil (31 December 2020: £nil). No external dividends were declared in the year.

Going concern

In preparing the financial statements on the going concern basis, the Directors have considered the principal risks and uncertainties impacting the group, giving particular focus on the rapidly evolving impact and global response to the conflict in Ukraine as well as the continuing impact of the Coronavirus pandemic. Specific consideration has been given to the impact of these two events on global fuel demand, volatility in commodity and financial markets and the knock-on effect of these matters on the Group's ability to continue as a going concern.

The Directors have carried out extensive analysis and assessment of the various risks on the business and its ability to continue as a going concern through and after the COVID-19 outbreak, along with considering the initial impact felt from the conflict in Ukraine. The primary risk identified is in respect of the Group's reliance on the \$1.1 billion working capital facility, which is provided by a syndicate of banks with both a committed and uncommitted element. This facility remains core to the ongoing operations of the businesses' UK operations. In assessing the risk, the Directors have considered:

- the term remaining on the facility;
- the size of the facility in the context of rising commodity prices;
- the strength of the underlying security provided to the banks;
- the facility utilisation; and
- financial covenants

On 28 April 2021, the Group, including the Company, entered into an agreement with its banks to renew this facility at \$930 million for a further two years, expiring on 30 April 2023. Given the long-standing nature of these banking relationships, the bankers' willingness to renew and extend credit lines in the recent past, and verbal assurances received from the bankers, the Directors are satisfied that both the uncommitted and committed facilities will continue to be available to the Group for the foreseeable future.

The working capital facility requirements are driven by underlying commodity prices, volumes and payment cycles for indirect taxes and duty that are collected by Greenergy. These cycles create a number of short term borrowing peaks over the course of the year which determines the overall facility size requirement. Over the course of 2021 with rising commodity prices, the Group's banks approved an increase in this facility by \$156.1 million to \$1.1 billion. Subsequent to year end, with the crisis in Ukraine escalating and Russian sanctions, underlying commodity prices have continued to rise sharply, and the Group is currently in negotiations to secure a further increase from its banks to provide sufficient headroom to operate in this unsettled environment.

This facility is self-liquidating and secured against the collateral assets of the main UK, Ireland & Singapore operating companies including inventories and accounts receivables. As commodity prices increase, as does the level of underlying collateral available to the banking group.

Following a return to demand as the world recovers from the COVID-19 outbreak, underlying performance has improved with the Group forecasting to operate comfortably within its bank covenant limits over the going concern period.

Directors' report (continued)

Going concern (continued)

There remains uncertainty as a result of the conflict in Ukraine which could put further upward pressure on commodity prices and therefore the size of facility the group requires. Over the next twelve months, based on current commodity prices, forecasts and the financing facilities currently available to the group, there are a number of periods where liquidity constraints could occur which would be further exacerbated should key commodity prices rise further. Despite this, due to the nature of the Group's cash generation, any liquidity constraint would be extremely short term and supported by an increase in the underlying collateral of the business. In situations where a further upsize of the working capital facility is required, the Group remains confident that (i) its banking group will continue to provide ongoing support and, if needed, (ii) its shareholder's would make available short term support to ensure that the Group can continue to discharge its liabilities in the normal course of business. However, as this support is not wholly within management's control, it represents a material uncertainty which could cast significant doubt upon the Company's ability to continue to operate as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

For these reasons outlined, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Post balance sheet events

The conflict in Ukraine, and associated global response, has resulted in upward pressure on commodity prices, a tightening in supply and a lengthening of our resupply cycle as we progress towards removing Russian originated diesel from our supply chain. This has resulted in an overall reduction in liquidity.

Please refer to both the "Ukraine" section of the Strategic Report as well as the "Going Concern" section above for more detail on the impacts of commodity price increases and supply tightness on the Group.

Political and charitable contributions

The Company made no charitable donations during the year (2020: £nil). No political donations or expenditure were incurred during the year (2020: £nil).

Employee Engagement

The Company has no employees and therefore has nothing to report in respect of employee engagement activity during the year.

Suppliers

Terms and conditions for business transactions are agreed individually with suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the suppliers including the timely submission of satisfactory invoices and the due verification of the bank account to which payment is made. For this period the average trade payables period for the Company was one day, unchanged from last year.

Stakeholders

Our key stakeholders, how we engage with them, and the effect stakeholders have on board decision making is outlined in the 'Section 172(1) – Companies Act 2006 Statement' on pages 24 to 32.

Corporate Governance

The Corporate Governance Report is presented within the Strategic Report.

Future developments

An indication of the likely future developments in the business can be found in the Strategic report.

Financial risk management

The financial risk management programme of the Company, which includes liquidity risk, market risk, credit risk and foreign exchange risk is detailed on pages 10 to 17.

Directors' report (continued)

Directors

The Directors who served during the year and up to the date of this report were as follows:

P T Bateson
C S Lombard
A J Traeger
C F Flach

Greenergy International Limited on behalf of the Company has made qualifying third-party indemnity provisions for the benefit of its directors and the directors of other group undertakings, which were made during the year and remain in place at year end.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, 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 the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

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

Streamlined energy and carbon report

The 'Streamlined energy and carbon report' is presented in the Strategic report on pages 18 to 19.

Corporate Governance Report

The Corporate Governance Report is presented within the Strategic Report.

Disclosure of information to auditor

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

- As far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

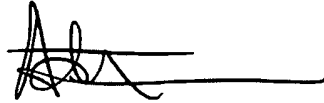
Directors' report (continued)

Directors' responsibilities statement (continued)

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A J Traeger', written over a horizontal line.

A J Traeger
Director

12 April 2022

Independent auditor's report to the members of Greenery Fuels Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Greenery Fuels Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates uncertainties regarding the availability of sufficient borrowing facilities to Greenery group (comprising Greenery Group Holdings Limited and its subsidiaries) caused by higher liquidity demands expected during certain peak periods of Greenery group's payment cycles and increasing global commodity prices due to the ongoing conflict in Ukraine.

As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on Greenery group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Independent auditor's report to the members of Greenergy Fuels Limited (continued)

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included the following:

- obtained an understanding of relevant controls over management's going concern model, including the review of the inputs and assumptions used within the model.
- assessed the adequacy of the financial facilities that are available to the group, including the uncertainties that exist in relation to those due for renewal within the next 12 months.
- checked the mathematical accuracy of management's model including agreement to approved budgets and forecasts.
- challenged the key assumptions of these forecast by:
 - reading industry data and other external data and comparing these with management's estimates.
 - comparing forecast results with the historical performance including the impact of COVID-19 on operations in 2021.
 - evaluating the historical accuracy of forecasts prepared by management.
 - assessing the sensitivity of the headroom within management's forecasts.
- assessed the sufficiency of the group's disclosure in relation to going concern.

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.

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.

Independent auditor's report to the members of Greenergy Fuels Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Act 1998, Disability Discrimination Act, Age Discrimination Act 2006, Health and Safety at Work Act 1974, Anti-Bribery Act 2010 and general employment laws.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it is described below:

- revenue recognition fraud risk. In order to address this, we have obtained an understanding of relevant controls and have agreed a sample of revenue transactions to relevant supporting evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the members of Greenergy Fuels Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

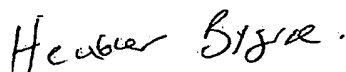
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Heather Bygrave, FCA
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
12 April 2022

Income Statement
For the year ended 31 December 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Revenue	2	14,539,988	10,777,207
Cost of sales		(14,333,195)	(10,654,515)
Gross profit		206,793	122,692
Distribution costs		(76,956)	(68,617)
Administrative expenses		(42,290)	(45,323)
Other operating income		52	672
Operating profit		87,599	9,424
Finance income	4	4,314	4,701
Finance costs	5	(15,823)	(19,229)
Profit/(loss) before taxation	3	76,090	(5,104)
Taxation charge	6	(9,661)	(2,475)
Profit/(loss) and total comprehensive income for the financial year		66,429	(7,579)

There were no other items of comprehensive income or expense for the year 31 December 2021 (31 December 2020: none) and accordingly no separate statement of comprehensive income has been presented.

The results stated above are all derived from continuing operations.

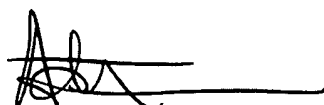
The notes on pages 45 to 71 are an integral part of these financial statements.

Balance Sheet As at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 Restated* £'000
Non-current assets			
Intangible assets	8	8,107	14,309
Property, plant and equipment	9	8,300	9,786
Right-of-use assets	21	244,331	257,677
Investments	10	315	315
Non-current receivables	12	243,495	238,069
		504,548	520,156
Current assets			
Inventories	11	714,387	647,402
Trade and other receivables	12	920,664	651,436
Derivative financial instruments	23	13,102	32,146
Cash and short-term deposits	13	42,530	53,573
Corporation tax receivable		2,874	91
		1,693,557	1,384,648
Total assets		2,198,105	1,904,804
Current liabilities			
Trade payables and accrued liabilities	14	(1,357,367)	(1,271,665)
Interest-bearing loans and borrowings	18	(507,887)	(249,831)
Lease liabilities	22	(36,041)	(34,319)
Derivative financial instruments	23	(13,595)	(57,548)
		(1,914,890)	(1,613,363)
Net current (liabilities)/assets		(221,333)	(228,175)
Non-current liabilities			
Lease liabilities	22	(208,150)	(228,005)
Deferred income tax liabilities	15	(2,249)	(1,837)
Provisions	19	(6,577)	-
Non-current trade and other payables	14	-	(39,408)
		(216,976)	(269,250)
Total liabilities		(2,131,866)	(1,882,613)
Net assets		66,239	22,191
Equity			
Issued capital	16	1,333	1,333
Share premium		1,715	1,715
Retained earnings		63,191	19,143
Total equity		66,239	22,191

*See note 12 for details regarding the restatement as a result of a reclassification between current and non-current receivables.

The notes on pages 45 to 71 are an integral part of these financial statements. The financial statements were approved by the board of Directors on 12 April 2022 and were signed on its behalf by:



A J Traeger
Director

Statement of changes in equity
For the year ended 31 December 2021

	Note	Issued capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2019		1,333	1,715	39,516	42,564
Comprehensive income					
Loss for the financial year		-	-	(7,579)	(7,579)
Total comprehensive income		-	-	(7,579)	(7,579)
Transactions with owners					
Dividend paid	20	-	-	(12,794)	(12,794)
Total transactions with owners		-	-	(12,794)	(12,794)
Balance at 31 December 2020		1,333	1,715	19,143	22,191
Comprehensive income					
Profit for the financial year		-	-	66,429	66,429
Total comprehensive income		-	-	66,429	66,429
Transactions with owners					
Dividend paid	20	-	-	(22,381)	(22,381)
Total transactions with owners		-	-	(22,381)	(22,381)
Balance at 31 December 2021		1,333	1,715	63,191	66,239

Share premium arose where the amount received for the issue of shares was above nominal value.

Retained earnings represents the cumulative balance of earnings not distributed.

The notes on pages 45 to 71 are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2021

		Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Net cash generated from operating activities	17	(212,727)	472,212
Investing activities			
Purchases of property, plant and equipment	9	-	(4,562)
Purchases of intangibles assets	8	(1,530)	(1,669)
Net cash used in investing activities		(1,530)	(6,231)
Financing activities			
Proceeds/(repayment) from borrowings	18	258,056	(366,960)
Facility extension fees		(3,286)	-
Finance income	4	4,314	4,701
Finance costs	5	(15,823)	(12,962)
Repayment of lease liabilities - principal	21	(40,047)	(49,101)
Dividends paid	20	-	(15,047)
Net cash used in financing activities		203,214	(439,369)
(Decrease) / increase in cash and cash equivalents		(11,043)	26,612
Cash and cash equivalents at the beginning of the year		53,573	26,961
Cash and cash equivalents at the end of the year		42,530	53,573

The notes on pages 45 to 71 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of business and significant accounting policies

General business description

Greenergy Fuels Limited (the "Company") is a private Company limited by shares and incorporated in the UK under the Companies Act 2006, and registered in England and Wales. The address of the registered office is given on page 1. The Company is a major supplier of UK transportation fuels and waste derived renewable fuels.

Basis of preparation

The separate financial statements have been prepared under the historical cost convention as modified by financial instruments and inventories recognised at fair value unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework (FRS 101)' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Basis of consolidation

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. The Company is included in the consolidated financial statements of Greenergy Fuels Holdings Limited, a Company incorporated in the United Kingdom. The registered address of Greenergy Fuels Holdings Limited is 198 High Holborn, London, WC1V 7BD.

Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- information relating to the entities objectives, policies and processes for managing capital (IAS 1.134-136);
- the requirements of IFRS 3 Business Combinations;
- IAS 36 Impairment of Assets;
- IFRS 15 Revenue from Contracts with Customers (including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations);
- IFRS 16 Leases (the maturity analysis of lease liabilities, as required by paragraph 58 of IFRS 16 Leases, has not been disclosed separately as details of indebtedness required by Companies Act has been presented separately for lease liabilities in note 21;
- All the disclosure requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IFRS 13 Fair value measurement;
- the requirements of paragraph 17 and 15A of IAS 24 'Related party disclosures' (key management);
- the requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment and paragraph 118(e) of IAS 38 Intangible Assets; and
- the requirement to present new standards, amendments and interpretations that have not yet been adopted.

Going concern

In preparing the financial statements on the going concern basis, the Directors have considered the principal risks and uncertainties impacting the group, giving particular focus on the rapidly evolving impact and global response to the conflict in Ukraine as well as the continuing impact of the Coronavirus pandemic. Specific consideration has been given to the impact of these two events on global fuel demand, volatility in commodity and financial markets and the knock-on effect of these matters on the Group's ability to continue as a going concern.

The Directors have carried out extensive analysis and assessment of the various risks on the business and its ability to continue as a going concern through and after the COVID-19 outbreak, along with considering the initial impact felt from the conflict in Ukraine. The primary risk identified is in respect of the Group's reliance on the \$1.1 billion working capital facility, which is provided by a syndicate of banks with both a committed and uncommitted element. This facility remains core to the ongoing operations of the businesses' UK operations.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Going concern (continued)

In assessing the risk, the Directors have considered:

- the term remaining on the facility;
- the size of the facility in the context of rising commodity prices;
- the strength of the underlying security provided to the banks;
- the facility utilisation; and
- financial covenants

On 28 April 2021, the Group, including the Company, entered into an agreement with its banks to renew this facility at \$930 million for a further two years, expiring on 30 April 2023. Given the long-standing nature of these banking relationships, the bankers' willingness to renew and extend credit lines in the recent past, and verbal assurances received from the bankers, the Directors are satisfied that both the uncommitted and committed facilities will continue to be available to the Group for the foreseeable future.

The working capital facility requirements are driven by underlying commodity prices, volumes and payment cycles for indirect taxes and duty that are collected by Greenergy. These cycles create a number of short term borrowing peaks over the course of the year which determines the overall facility size requirement. Over the course of 2021 with rising commodity prices, the Group's banks approved an increase in this facility by \$156.1 million to \$1.1 billion. Subsequent to year end, with the crisis in Ukraine escalating and Russian sanctions, underlying commodity prices have continued to rise sharply, and the Group is currently in negotiations to secure a further increase from its banks to provide sufficient headroom to operate in this unsettled environment.

This facility is self-liquidating and secured against the collateral assets of the main UK, Ireland & Singapore operating companies including inventories and accounts receivables. As commodity prices increase, as does the level of underlying collateral available to the banking group.

Following a return to demand as the world recovers from the COVID-19 outbreak, underlying performance has improved with the Group forecasting to operate comfortably within its bank covenant limits over the going concern period.

There remains uncertainty as a result of the conflict in Ukraine which could put further upward pressure on commodity prices and therefore the size of facility the group requires. Over the next twelve months, based on current commodity prices, forecasts and the financing facilities currently available to the group, there are a number of periods where liquidity constraints could occur which would be further exacerbated should key commodity prices rise further. Despite this, due to the nature of the Group's cash generation, any liquidity constraint would be extremely short term and supported by an increase in the underlying collateral of the business. In situations where a further upsize of the working capital facility is required, the Group remains confident that (i) its banking group will continue to provide ongoing support and, if needed, (ii) its shareholder's would make available short term support to ensure that the Group can continue to discharge its liabilities in the normal course of business. However, as this support is not wholly within management's control, it represents a material uncertainty which could cast significant doubt upon the Company's ability to continue to operate as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

For these reasons outlined, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Foreign currency

a) *Functional and presentation currency*

The financial statements are presented in Pounds Sterling, which is the Company's functional and presentational currency.

b) *Transactions and balances*

Transactions in foreign currencies are initially recorded using the current prevailing rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement within administrative expenses.

Investments in subsidiaries and associates

Investments in subsidiary companies and associates held by the Company are stated at cost less impairment. The company assesses whether there has been impairment of investments in subsidiaries based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as the net assets of the investees, its recent trading performance and the expected revenue growth.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and/or accumulated impairment losses, if any.

Historical cost includes the original purchase price or construction cost, any costs directly attributable to bringing the asset to its working condition for its intended use and the initial estimate of any decommissioning obligation, if any, and borrowing costs.

Depreciation is calculated using the straight-line method and charged to write off the cost less the estimated residual value by equal instalments over their estimated useful lives. The useful lives of the Company's property, plant and equipment are as follows:

Plant and machinery	2 to 20 years
Office equipment	2 to 5 years

Depreciation is not charged on assets which are under construction or on plant and machinery which has yet to be successfully commissioned until such time that the asset is in a working condition for its intended use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised with 'Other operating income/(expense)' in the income statement.

Intangible assets

Intangible assets with a finite useful life are capitalised at their cost and written off on a straight-line basis over their useful economic life.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Research and development assets are amortised over the estimated life of the related asset.

Branding rights	1 to 10 years
Software	1 to 10 years

Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the non-financial asset or the group of non-financial assets that can be reliably estimated.

If any such indication exists, a full impairment review is undertaken for that asset or group of assets, and any estimated loss is recognised in the income statement. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. For the purposes of assessing impairment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in countries where the Company operates and generates income.

(b) Deferred taxes

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or subsequently enacted by the balance sheet date.

Financial assets

(a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Financial assets (continued)

Financial assets at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, these are classified as non-current assets. The Company's loans and receivables comprise receivables, cash and commercial paper in the balance sheet.

Financial assets at fair value through other comprehensive income

Other investments in debt and equity securities held by the Company are classified as being equity investments and are stated at fair value, with any resultant gain or loss being recognised directly in other comprehensive income, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised through other comprehensive income is recognised in the income statement.

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise, except in the case of commodity derivatives, where the gains or losses are presented in the income statement within cost of sales in the period in which they arise.

(c) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, lease receivables, trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime Expected Credit Losses (ECL) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Financial liabilities

Classification

When a financial liability is recognised initially, the Company measures it at its fair value less, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Financial liabilities include trade payables, other payables, borrowings and derivative financial instruments. Subsequent measurement depends on its classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities classified as held for trading and derivative liabilities that are not designated as effective hedging instruments are classified as financial liabilities at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses being recognised in the income statement.

Financial liabilities at amortised cost

All other financial liabilities not classified as fair value through profit or loss are measured at amortised cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments, such as forward commodity contracts are used to hedge commodity price risks. No hedge accounting has been applied to these derivatives. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The fair values of various derivative instruments used for hedging purposes are disclosed in note 23.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss and other comprehensive income and presented within operating profit.

Trade Receivables

Trade receivables are amounts due from customers for fuel products sold or for services performed in the course of ordinary business. If collection is expected in one year or less, they are classified as current assets, otherwise they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment.

Cash and short-term deposits

Cash and short-term deposits include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Trade payables and accrued liabilities

Trade payables and accrued liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less, otherwise they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it related.

Bank overdrafts are included within current liabilities on the balance sheet.

Provisions

Provisions are made when an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Revenue recognition

The Company recognises revenue from the following sources:

- Sale of fuel products and RTFO certificates;
- The provision of managed services and storage services; and
- The provision of haulage services to third-party customers on a delivered-in basis.

Revenue is measured in line with IFRS 15 and is based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer. The transaction price is allocated to fuel products on a price-per-litre basis in line with weekly published averages.

Sale of fuel products and RTFO certificates

Revenue from the sale of goods represents net invoiced sales of fuel products and RTFO certificates, excluding value added tax and including excise duty. Revenue is recognised when the control of goods has transferred, this being the point at which the product has been delivered to/lifted by the customer.

Managed services and storage services

Revenue is recognised for these services based on the stage of completion of the contract, which is deemed to be complete on satisfaction of the performance obligations under IFRS 15. Revenue related to one-off services is recognised on the date of the service provision.

Haulage services

The Group provides haulage services to third-party customers on a delivered-in basis. The revenue related to haulage services is recognised at the point the goods are received by the customer.

Revenue in note 2 is disclosed as only sale of fuel products as the other sources noted above are considered to be immaterial.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Leases

(a) The Company as lessee

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are presented as a separate line in the statement of financial position. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

All of the Company's right-of-use assets are Plant and Machinery.

Right of use assets are depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term. On average this is 6 years.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liability is presented as a separate line in the statement of financial position.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants are presented in other income.

Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

Inventories

Fuel products are traded in active markets and are purchased with a view to resale in the near future, generating a profit from fluctuations in process or margins. As a result, stocks of fuel products are carried at fair value (less costs to sell), taken as the market value by reference to quoted market prices at year end, in accordance with the broker/trader exemption granted by IAS 2. Changes in fair value are recognised in the income statement through cost of sales. Used cooking oil and other products and chemicals used in the production of biofuels are valued at the lower of cost and net realisable value. Tank heels and duty paid on stock are valued at cost.

At each balance sheet date, stocks valued at cost are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Renewable Transport Fuel Obligation (RTFO)

The Group is part of the Renewable Transport Fuel Obligation (RTFO) scheme under which it is required to meet annual targets for the supply of biofuels. The obligations which arise are either settled by cash or through the delivery of certificates which are generated by the Group through the blending of biofuels.

To the extent that the Group generates certificates in excess of its current year obligation, these can either be carried forward to offset up to 25% of the obligation of the Group in 2021 or sold to other parties.

The liability associated with the Group's obligations under the scheme are recognised in the year in which the obligation arises and is valued by reference to either the cost of generating the certificates which will be surrendered to meet the obligation or the expected future cash outflow where cash settled. This is disclosed as the fuel compliance obligation.

Certificates generated or purchased during the year which will be used to settle the current obligation are recognised at the lower of cost and net realisable value. Where certificates are generated, cost is deemed to be the average cost of blending biofuels during the year in which the certificates are generated.

Certificates held for sale to third parties are recognised at fair value by reference to year-end market prices. Changes in market prices of the certificates and the quantity of tickets considered to be realisable through external sales are recognised immediately in the income statement.

Certificates for which no active market is deemed to exist are not recognised.

Greenhouse Gas Emissions Reporting (GHG)

As of 1 January 2019, new Greenhouse Gas (GHG) Legislation in the UK came into effect. This new legislation requires fuel suppliers to reduce the GHG emissions from the fuel they supply in the UK by 4% in 2019 and 6% in 2020. To comply with the new legislation, suppliers must obtain a certain number of GHG credits, which are awarded according to the carbon intensity of the fuel they supply. If the supplier does not have enough credits to meet its obligation, it will need to acquire credits generated by other suppliers or pay a Buy-Out price to the Government.

The liability associated with the Group's obligations under the scheme is recognised in the year in which the obligation arises and is valued by reference to the fair value of GHG credits required to meet the obligation.

Certificates held for sale to third parties are recognised at fair value by reference to year-end market prices. Changes in market prices of the certificates and the quantity of tickets considered to be realisable through external sales are recognised immediately in the income statement. Certificates cannot be carried forward to offset obligations in future years.

GHG reporting ended on 15 September 2021, and as such the Group had no liability under the scheme at year ended 31 December 2021, and no future liability under the scheme is expected.

Notes to the financial statements (continued)

1. Summary of business and significant accounting policies (continued)

New and amended IFRS Standards that are effective for the current year

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements

No impact to the Company on the basis that hedge accounting has not been applied during the year.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In the prior year, the Company early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- There is no substantive change to other terms and conditions of the lease

Impact on accounting for changes in lease payments applying the exemption

The Company has applied the practical expedient retrospectively to all rent concessions that became eligible for the practical expedient as a result of the March 2021 amendment. The Company has not restated prior period figures, and no differences have arisen on initial application of the March 2021 amendment. The Company continued to recognise interest expense on the lease liability.

Notes to the financial statements (continued)

1. Critical judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, described in note 1, the Directors are required to make judgements which have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and associated assumptions applied within the business are continually evaluated and are based on historical experience, current issues and events, and expectations of future events. Actual results may differ from these estimates.

Recognition of revenue from contracts with customers containing non-standard terms and conditions

The Directors have identified the assessment of revenue derived from contracts with customers under non-standard terms and conditions to be a critical accounting judgement in light of the fact that, during the year, the Company entered into an increased number of non-standard revenue transactions compared to prior periods. Critical judgements include the determination of when revenue should be measured on a gross or net basis depending on whether the Company controls goods from a contractual perspective, in addition to the timing of revenue recognition for transactions that fall outside of standard terms for delivery of goods.

Specific revenue streams where judgement is involved in recognition are:

- a) Bookouts: the Group does not physically control the goods that are supplied in these transactions and is therefore unable to recognise revenue in relation to these transactions. The gain or loss from net settlement is taken to cost of sales.
- b) Network customers: risk and title do not transfer at the same stage. Management have assessed the performance obligation to have been met in respect of these sales when physical delivery to end customer takes place.

Key sources of estimation uncertainty

No key sources of estimation uncertainty were identified.

2. Revenue

An analysis of the revenue by class of business is as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
	£'000	£'000
Sale of fuel products	14,539,988	10,777,207

Revenue is recognised in line with the provisions of IFRS 15. Contracts with customers for the sale of fuel products did not contain any significant financing components. Consideration per litre is not dependent on volumes sold and is based upon weekly published averages for price per litre of the specified fuel product.

Revenue is disclosed as only sale of fuel products as the other sources of income noted in note 1 are considered to be immaterial. Those revenue sources are included within sale of fuel products.

All revenue generated in the year ended 31 December 2021 is attributable to the UK.

Notes to the financial statements (continued)

3. Profit/(loss) before taxation

The profit/(loss) before taxation is stated after charging:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Depreciation property, plant and equipment	1,240	1,467
Amortisation of intangible assets	4,219	4,472
Depreciation on right-of-use assets	36,641	34,671
Fair value (gain)/loss on financial instruments	(24,908)	26,645
Net foreign exchange loss	4,151	265
Cost of inventory recognised as an expense	13,735,070	8,980,272

During the year, no employees received remuneration from the Company given that all members of staff were employed by Greenergy International Limited, and the appropriate costs were recharged by way of management fees.

No Directors received emoluments from the Company in respect of qualifying services to the Company. All emoluments paid to or receivable by Directors are paid by the Company's fellow group Company, Greenergy International Limited, in respect of their services as either Directors or employees of that Company. Management have deemed it impractical to apportion remuneration figures for services provided to Greenergy Fuels Limited.

Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts	748	503
- Other audit related services	365	681
Total audit fees	1,113	1,184
 - Taxation compliance services	 -	 244
Total non- audit fees	-	244

Non-audit fees of £nil (2020: £244,000) were provided in relation to tax consultancy services during the year.

Auditor's remuneration has been recharged to subsidiaries from Greenergy Group Holdings Limited on a proportionate basis.

4. Finance income

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Bank interest receivable	11	40
Interest receivable from group companies	4,303	4,661
	4,314	4,701

Notes to the financial statements (continued)

5. Finance costs

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Interest payable in servicing of:		
Working capital facilities and bank overdrafts	8,270	12,328
Lease liabilities	7,553	6,901
	15,823	19,229

6. Income tax expense

Analysis of charge in the year:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Current tax		
Current tax on income for the year	3,219	630
Group relief payable	8,758	-
Adjustments in respect of prior years	(2,728)	1,824
Total current tax charge	9,249	2,454
Deferred tax		
Origination and reversal of timing differences (note 15)	340	(7)
Adjustments in respect of prior years (note 15)	72	28
Total deferred tax charge	412	21
Tax charge on profit on ordinary activities	9,661	2,475

Notes to the financial statements (continued)

7. Income tax expense (continued)

Factors affecting tax charge for year

The total tax charge for the year is lower (31 December 2020: charge is higher) than the standard rate of corporation tax in the UK of 19% (31 December 2020: 19%). The differences are explained below:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Profit/(loss) before tax	76,090	(5,104)
At tax rate of 19% (2020: 19%)	14,457	(970)
Effects of:		
Expenses not deductible for tax	5	1,376
Fixed asset differences	11	-
Effect of change in deferred tax rate	540	217
Income not subject to taxation		-
Effects of group relief not paid for	(2,696)	-
Adjustment in respect of prior periods	(2,656)	1,852
Total tax charge for the year	9,661	2,475

Factors that may affect future tax charges

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

8. Intangible assets

	Branding rights £'000	Software £'000	Total £'000
Cost			
At 31 December 2020	19,355	26,050	45,405
Additions	1,530	-	1,530
Reclassifications*	246	(3,713)	(3,467)
Foreign exchange movements	(46)	-	(46)
At 31 December 2021	21,085	22,337	43,422
Accumulated depreciation			
At 31 December 2020	(17,158)	(13,938)	(31,096)
Charge for the year	(1,947)	(2,272)	(4,219)
At 31 December 2021	(19,105)	(16,210)	(35,315)
Net book value at 31 December 2021	1,980	6,127	8,107
Net book value at 31 December 2020	2,197	12,112	14,309

Branding rights relate to the costs associated with the Company becoming a branded wholesaler within the UK market. Software relates to internally generated software. Intangible assets amortisation is recorded in administrative expenses in the income statement.

* Current year reclassifications relate to a transfer of software implementation costs from intangibles to prepayments and prior year corrections not deemed material enough to restate comparatives.

Notes to the financial statements (continued)

9. Property, plant and equipment

	Plant and machinery £'000	Office equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 31 December 2020	28,028	3,216	496	31,740
Reclassifications	-	164	(410)	(246)
At 31 December 2021	28,028	3,380	86	31,494
Accumulated depreciation				
At 31 December 2020	(18,773)	(3,162)	(19)	(21,954)
Charge for the year	(1,085)	(155)	-	(1,240)
At 31 December 2021	(19,858)	(3,317)	(19)	(23,194)
Net book value at 31 December 2021	8,170	63	67	8,300
Net book value at 31 December 2020	9,255	54	477	9,786

The depreciation charge for the year forms part of distribution costs and administrative expenses.

10. Investments

Direct subsidiary undertakings

	£'000
At 1 January 2021	315
Impairment	-
At 31 December 2021	315

The following were subsidiary undertakings of the Company during the year:

Name	Country of incorporation	Holding	Address	Principal activity
Greenergy Brazil Trading SA	Brazil	100%	Rua Gomes de Carvalho, 1069, cj 181 and 182, Advanced Tower, Vila Olimpia, Sao Paulo - SP Brazil, 04547 - 004	Supply and marketing of road fuel
Greenergy Fuels Spain SL	Spain	100%	C/ Velázquez, nº 64, 4º izq, Madrid, Spain	Holding company

As at 31 December 2021, the Company had no interests in joint arrangements.

Notes to the financial statements (continued)

11. Inventories

	31 December 2021	31 December 2020
	£'000	£'000
Stocks held at cost	13,796	12,858
Fuel products	437,097	386,907
Compliance certificates - own use	263,494	188,781
GHG credits – own use	-	10,161
Compliance certificates - held for trading	-	45,132
GHG credits - held for trading	-	3,563
	714,387	647,402

During the year £13,735,070,000 of raw materials was expensed through cost of sales (31 December 2020: £8,980,272,000).

Fuel products are traded in active markets and are purchased with a view to resale in the near future, generating a profit from fluctuations in prices or margins. As a result, stocks of fuel products are carried at fair value by reference to quoted market prices at year-end, in accordance with the broker/trader exemption granted by IAS 2. As such, these inventories are categorised as level 1 within the fair value hierarchy.

Inventories with a carrying amount of £714,387,000 were pledged as security for certain of the Company's borrowings at the balance sheet date (31 December 2020: £634,544,000). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity. See note 25 for details.

Compliance certificates include fuel sustainability compliance obligations in the UK. The UK compliance is managed through the RTFO scheme. There is currently no externally quoted market for the valuation of RTFO certificates. In order to value these contracts, management have adopted a pricing methodology, combining both observable inputs based on market data and the assumptions developed internally based on observable market activity.

The anticipated market premia above the calculated cost of creation of RTFO certificates is the most significant input. Assuming other inputs remain unchanged, if the premia was decreased by 1ppl, pre-tax profit would remain the same (31 December 2020: decrease by £605,051) due to holding no certificates for trading at the year end.

12. Trade and other receivables

	31 December 2021	31 December 2020 Restated*	1 January 2020 Restated*
	£'000	£'000	£'000
Current			
Trade receivables	590,744	380,155	590,238
Amounts owed by parent company	-	-	-
Amounts owed by other Group companies	157,518	123,239	131,460
Other receivables	44,724	38,446	16,655
Prepayments and accrued income	127,678	109,596	130,019
	920,664	651,436	868,372
Non-current			
Derivative assets	-	4,013	-
Amounts owed by parent company	224,208	203,686	177,614
Amounts owed by other Group companies	19,287	30,370	18,514
	243,495	238,069	196,128

Amounts owed by Group undertakings relate to intercompany trading and loans provided to Group companies which are used to meet the capital requirements of the borrower. These balances are unsecured and have no formal repayment plan and as such trading balances have been classified as current. In the instances where interest is charged on these balances, it is charged at a rate of LIBOR plus 2%.

Notes to the financial statements (continued)

12. Trade and other receivables (continued)

*Amounts owed by Group undertakings which are used to meet the capital requirements of the borrower have been reclassified as non-current receivables. Repayment of these balances is not expected within 12 months and these assets are intended for use on a continuing basis. The retrospective impact of this reclassification on the balance sheet is detailed below. There are no impacts on equity.

	31 December 2020 Increase/(Reduction) £'000	1 January 2020 Increase/(Reduction) £'000
Non-current – Trade and other receivables	234,056	196,128
Non-current assets (total)	234,056	196,128
Current – Trade and other receivables	(234,056)	(196,128)
Current assets (total)	(234,056)	(196,128)
Net current (liabilities)/assets	(234,056)	(196,128)

A provision of £2,618,699 (31 December 2020: £1,289,883) has been made against trade receivables. The debit during the year in relation to the movement in the bad debt provision was £1,328,816 (2020: debit of £1,211,883).

Reconciliation of loss allowance

	£'000
At 1 January 2021	1,290
Increase in provision for impairment of receivables	1,330
At 31 December 2021	2,619

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables and derivative instruments) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In respect of trade receivables, the Company operates a strict policy of applying credit limits to all new customers prior to entering into a transaction. These limits are then subject to regular review throughout the term of the contractual relationship. The Company uses third party credit referencing agencies as an input into this process and monitors all trade debtor balances on a daily basis. Exposure to debt default is managed by the use of credit insurance where the cost of acquiring cover is considered commensurate with the risk incurred. At 31 December 2021, the Company had 3 customers (2020: 4) whose credit limit is greater than 10% of the Company's gross monetary assets at year end. These customers make up 19% (2020: 41%) of the Company's year end trade receivables balance. The need for an impairment is analysed at each reporting date on an individual basis for major clients. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The counterparties involved in the Company's other financial instruments such as swaps, futures and fixed price sales and purchase contracts within the scope of IFRS 9 are subjected to the same credit review process. In addition, contractual terms for all such instruments are reviewed in detail to ensure that credit risk is minimised.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The value of trade and other receivables pledged as security against borrowings is disclosed in note 25.

The Company recognises a loss allowance for expected credit losses on contract receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses on these financial assets are estimated using a provision analysis based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Notes to the financial statements (continued)

12. Trade receivables (continued)

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Total £'000	Current - 90 Days £'000	90+ Days £'000
At 31 December 2021			
Expected credit loss rate		0%	100%
Estimated total gross carrying amount at default	593,363	590,744	2,619
Expected credit loss	(2,619)	-	(2,619)
At 31 December 2020			
Expected credit loss rate		0%	100%
Estimated total gross carrying amount at default	380,155	378,865	1,290
Expected credit loss	(1,290)	0	(1,290)

13. Cash and short-term deposits

Cash and short-term deposits include the following:

	31 December 2021 £'000	31 December 2020 £'000
Cash at bank and in hand	42,530	53,573
Cash and short-term deposits	42,530	53,573

14. Trade payables and accrued liabilities

	31 December 2021 £'000	31 December 2020 £'000
Trade payables	79,044	64,112
Amounts owed to other Group companies	78,846	64,021
RTFO - current year obligation	312,249	298,332
Other taxes and social security	600,297	660,314
Other payables	478	625
Accruals and deferred income	286,453	184,261
	1,357,367	1,271,665

Notes to the financial statements (continued)

14. Trade payables and accrued liabilities (continued)

Non-current		
Other creditors	-	34,357
Derivative liabilities	-	5,051
	-	39,408

There are no amounts falling due after more than 5 years.

The carrying amounts of trade payables and other payables approximate to their fair values.

Amounts due to group undertakings relate to intercompany trading are unsecured, have no formal repayment plan and as such are classified as current. In the instances where interest is charged on intercompany balances, it is charged at a rate of LIBOR plus 2%.

15. Deferred taxation

	31 December 2021 £'000	31 December 2020 £'000
Accelerated capital allowances	(1,779)	(1,319)
Intangible fixed assets	(470)	(518)
Net deferred tax liability	(2,249)	(1,837)

The movement on deferred taxation is as follows:

	Accelerated capital allowances	Intangible fixed assets	Total
At the beginning of the year	(1,319)	(518)	(1,837)
Adjustment in respect of prior years	(45)	(27)	(72)
Current year income statement charge	(415)	75	(340)
At the end of the year	(1,779)	(470)	(2,249)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred taxes relate to the same fiscal authority.

16. Issued capital

	31 December 2021 £'000	31 December 2020 £'000
Allotted, called up and fully paid		
1,333,334 (2020: 1,333,334) Ordinary shares of £1 each	1,333	1,333

Total number of shares authorised is equal to the amount allotted, called up and fully paid.

Notes to the financial statements (continued)

17. Net cash generated from/(used in) operating activities

Net cash provided by operating activities	31 December 2021 £'000	31 December 2020 £'000
Profit/(loss) before taxation	76,090	(5,104)
Adjustments for:		
Depreciation of property, plant and equipment	1,240	1,467
Amortisation of intangibles	4,219	4,472
Right-of-use asset depreciation	36,641	34,671
Foreign exchange loss on operating activities	(1,335)	10,729
Revaluation (gain)/loss on financial instruments	(24,909)	26,645
Repayment of lease liabilities - interest	(7,553)	(6,900)
Net finance costs	11,509	14,528
Operating cash flows before movements in working capital	95,902	80,508
(Increase)/decrease in inventory	(81,839)	6,335
(Increase)/decrease in receivables	(290,036)	175,086
Increase in payables	75,278	212,736
Cash generated by operations	(200,695)	474,665
Income taxes paid	(12,032)	(2,454)
Net cash from operating activities	(212,727)	472,211

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

	At 1 January 2021 £'000	Financing cash flows £'000	At 31 December 2021 £'000
Bank overdrafts (note 18)	249,831	258,056	507,887
	249,831	258,056	507,887

There were no changes in financing cash flows from losing subsidiaries or other businesses or changes in the fair value of the liabilities.

Notes to the financial statements (continued)

18. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings - current

		31 December 2021	31 December 2020
	Maturity	£'000	£'000
Bank overdrafts:			
United Kingdom	On demand	507,887	249,831
		<u>507,887</u>	<u>249,831</u>

All related covenants were satisfied during 2021.

Bank overdrafts of £507,887,000 (£249,831,000) have been secured by a charge over certain assets held by the Company - see note 25.

The bank overdraft includes £507,887,000 drawn on the asset backed facility, secured with a syndicate of UK and European banks. On 28 April 2021, the Group, including the Company, entered into an agreement with its banks to renew this facility at \$930,000,000 for a further two years, expiring on 30 April 2023.

Over the course of 2021 with rising commodity prices, the Group's banks approved an increase in this facility by \$156,100,000 to \$1,086,100,000. Subsequent to the year end, with the crisis in Ukraine escalating and Russian sanctions, underlying commodity prices have continued to rise sharply, and the Group is currently in negotiations to secure a further increase from its banks to provide sufficient headroom to operate in this unsettled environment.

19. Provisions

	Provision for legal claims £'000	Total £'000
As at 1 January 2020	-	-
Created/(released)	6,577	6,577
At 31 December 2021	<u>6,577</u>	<u>6,577</u>

The legal provision relates to a claim in relation to continuing operations incurred in previous financial period by the Greenergy Group. The timing for the resolution of the claim is uncertain.

20. Dividend paid

Intragroup dividends declared and paid in the year were £22,381,000 or £16.79 per share (31 December 2020: £12,794,000 or £9.60 per share). No external dividends were declared in the year.

Notes to the financial statements (continued)

21. Right-of-use assets

	Plant and Machinery £'000	Total £'000
Cost		
At 1 January 2020	327,254	327,254
Additions	46,996	46,996
Write down of cost ⁵	(41,825)	(41,825)
Disposals	(4,881)	(4,881)
Foreign exchange	(4,413)	(4,413)
At 1 31 December 2020	323,131	323,131
Additions	14,434	14,434
Reinstatement*	15,202	15,202
Disposals	(9,189)	(9,189)
Foreign exchange	-	-
At 31 December 2021	343,578	343,578
Accumulated depreciation		
At 1 January 2020	(36,826)	(36,826)
Charge for the year	(34,671)	(34,671)
Disposals	4,572	4,572
Foreign exchange	1,471	1,471
At 1 December 2020	(65,454)	(65,454)
Charge for the year	(36,641)	(36,641)
Disposals	8,721	8,721
Reinstatement*	(2,332)	(2,332)
Foreign exchange	(3,541)	(3,541)
At 31 December 2021	(99,247)	(99,247)
Carrying amount at 31 December 2021	244,331	244,331
Carrying amount at 31 December 2020	257,677	257,677

The average lease term is 6 years. The maturity analysis of lease liabilities is presented in note 22.

Amounts recognised in profit and loss	31 December 2021 £'000	31 December 2020 £'000
Depreciation expense on right-of-use assets	36,641	34,671
Interest expense on lease liabilities	7,533	6,900
Expense relating to short-term leases	-	830
Expense relating to leases of low value assets	-	-

Total cash outflows for leases were £40,000,000 (2020: £56,000,000).

*Reinstatement relates to a lease incorrectly disposed of in the prior year being brought back into cost and accumulated depreciation which is not deemed material to restate comparatives. Impact to net book value is £12,870,000.

⁵ Following clarification to IFRS16 in relation to variable lease costs in 2020, management have assessed the carrying values of the right of use assets and related liabilities and revised accordingly.

Notes to the financial statements (continued)

22. Lease liabilities

	31 December 2021 £'000	31 December 2020 £'000
Maturity analysis		
Year 1	39,172	36,017
Year 2	33,362	31,812
Year 3	29,875	29,140
Year 4	27,230	26,498
Year 5	26,047	27,033
Onwards	99,660	124,802
	255,346	275,302
Less: unearned interest	(11,155)	(12,978)
	244,191	262,324
 Analysed as:		
Current	36,041	34,319
Non-current	208,150	228,005
	244,191	262,324

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

23. Financial instruments

The Company has the following financial instruments measured at fair value through profit or loss:

	31 December 2021 £'000	31 December 2020 £'000
Assets		
Derivative financial instruments	13,102	32,146
 Liabilities		
Derivative financial instruments	13,595	57,548

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Initial measurement is at fair value and transaction costs are expensed in the income statement. Subsequent measurement is at fair value with gains or losses to the fair value recognised in the income statement.

Notes to the financial statements (continued)

24. Related party transactions

The Company has taken advantage of the exemption under FRS 101 relating to IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member.

The Company has identified no further transactions, which need to be disclosed under the terms of FRS 101.

The Company has also taken advantage of the exemption available under FRS 101 relating to paragraph 17 and 18A of IAS 24 'Related Party Disclosure' (key management compensation).

Trading transactions

Balances and transactions with joint ventures and equity investments measured at fair value through other comprehensive income are shown in the following table.

	Sale of goods		Purchase of goods	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£'000	£'000	£'000	£'000
PD Ports Limited	-	-	2,731	2,351
Navig8 Chemical Pools Inc	-	-	2,078	-
Hartree Partners Singapore Ltd	-	-	44,176	-
Term A/S	-	-	1,553	-
Freightliner Limited	12,953	-	-	-

PD Ports Limited is a related party of the Company because it is owned by the ultimate parent undertaking and controlling party, Brookfield Asset Management Inc. The transaction relates to the purchase of conservancy services.

Navig8 is a related party of the Group because it is an Oaktree entity. Oaktree is an equity accounted investment of the ultimate parent undertaking and controlling party, Brookfield Asset Management Inc. The transaction relates to the purchase of distribution services.

Hartree Partners Singapore Pte Ltd is a related party of the Group because it is an Oaktree entity. Oaktree is an equity accounted investment of the ultimate parent undertaking and controlling party, Brookfield Asset Management Inc. The transaction relates to the purchase of fuels.

Term A/S is a related party of the Group because it is an Oaktree entity. Oaktree is an equity accounted investment of the ultimate parent undertaking and controlling party, Brookfield Asset Management Inc. The transaction relates to the purchase of fuels.

Freightliner Limited is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Asset Management Inc. The transaction relates to the sale of fuels.

The Company has identified no further transactions which require disclose under the terms of IAS 24.

Notes to the financial statements (continued)

25. Assets pledged as collateral

The carrying amounts of assets pledged as security for current and non-current borrowings are:

		31 December 2021	31 December 2020 Restated	31 December 2020 (as previously stated)
	Notes	£'000	£'000	£'000
Current assets				
Inventories	11	714,387	647,402	647,402
Trade and other receivables	12	763,146	528,288	528,288
Cash and cash equivalents	13	42,530	53,573	53,573
Derivative financial instruments	23	13,102	32,146	32,146
Total current assets pledged as security		1,533,165	1,261,409	1,261,409
Non current assets				
Intangible assets	8	8,107	14,309	14,309
Property, plant and equipment	9	8,300	9,786	9,786
Right-of-use assets*		-	-	257,677
Investments	10	315	315	315
Non-current receivables	12	-	4,013	4,013
Total non current assets pledged as security		16,722	28,423	286,100

Cash with a carrying amount of £52,700,000 (2020: £38,100,000) have been pledged as SOCGEN as collateral against all open derivative positions of the Company (see note 23). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The remaining current assets of £1,480,465,000 (2020: £1,223,309,000), and non-current assets with a carrying amount of £16,722,000 (2020: £28,423,000) have been pledged to secure borrowings of the Group. The Group is not allowed to pledge these assets as security for other borrowings.

The Group, of which Greenergy Fuels Limited is a part, held letters of credit of £113,490,695 (2020: £82,352,000) as at the year-end date, which is secured against the Group's borrowing facility.

*The comparative figures for the year ended 31 December 2020 have been restated due to a prior year misstatement. Right-of-use assets were incorrectly disclosed as assets pledged as collateral in 2020. Right-of-use assets of £244,331,000 (2020: 257,677,000) have been excluded from the disclosure.

26. Capital commitments

	31 December 2021	31 December 2020
	£'000	£'000
Contracted but not provided for:		
Intangible assets	2,426	964
Property, plant and equipment	163	27

27. Events after the reporting period

The conflict in Ukraine, and associated global response, has resulted in upward pressure on commodity prices, a tightening in supply and a lengthening of our resupply cycle as we progress towards removing Russian originated diesel from our supply chain. This has resulted in an overall reduction in liquidity.

Please refer to both the "Ukraine" section of the Strategic Report as well as the "Going Concern" section in the Directors Report for more detail on the impacts of commodity price increases and supply tightness on the Group.

Notes to the financial statements (continued)

28. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Greenergy International Limited, a Company incorporated in the UK. The ultimate parent undertaking and controlling party is Brookfield Asset Management Inc., a Company incorporated in Canada.

Greenergy Fuels Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2021. Brookfield Asset Management Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2021.

The consolidated financial statements of Greenergy Fuels Holdings Limited can be obtained from its registered address at 198 High Holborn, London, WC1V 7BD. The consolidated financial statements of Brookfield Asset Management Inc. can be obtained from its registered address at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.