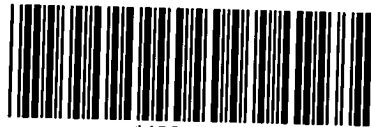


Registered number: 04058825

Greenergy Fuels Limited

Annual report and financial statements for the year ended 31 December 2023

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Strategic report

The Directors present their strategic report and the audited financial statements for the year ended 31 December 2023.

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.

For the year ending 31 December 2023, the Company made a profit after tax of £28.1m (31 December 2022: profit after tax of £68.9m). Revenue decreased by £3.0bn to £15.9bn and cost of sales decreased by £3.1bn. Key drivers are discussed in the Key performance indicators section.

Cash and cash equivalents reduced by £6.1m. This was primarily the result of the net of cash inflows generated from operating activities of £219.3m (31 December 2022: inflows £58.8m) and cash outflows relating to financing activities of £216.6m (31 December 2022: outflows £78.8m) as a result of the financing facilities restructuring in the year.

Who we are

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

Our mission is to deliver long-term value for 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 – respect, ownership, care and integrity - underpin every interaction we have, whether with colleagues, customers, suppliers and the communities in which we operate.

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 2023	Year ended 31 December 2022
Gross profit (£'000)	209,420	230,452
Profit before tax (£'000)	41,892	76,813
Volume of fuel supplied (CBM'000)	14,027	14,434

Gross profit/Profit before tax

Gross profit decreased in the current period. Decrease was driven by lower volume of fuel supplied in the year, as well as the rising costs of diesel purchases into the UK following the Russian invasion of Ukraine.

Profit before tax decreased by £34.9m. Whilst administration expenses remained consistent at £45.6m (2022: £45.7m), distribution costs increased during the year to £95.3m (2022: £90.7m) due to rising fuel costs. Finance costs also increased during the year to £63.3m (2022: £27.2m) due to refinancing and climbing SOFR and SONIA rates in the year.

Sales Volume

Higher commodity prices and rising inflation in 2023 impacted on fuel demand in the UK and ultimately dampened our supply volumes.

Strategic report (continued)

Future Outlook

Our strategy to lead in waste-based renewables, grow our supply chain infrastructure portfolio and integrate our operations across the supply chain will enable us to deliver on our purpose and mission. We continue to focus our capital on efficient production and supply of waste-based renewables to support our customers through the energy transition.

Strategic bolt-on acquisitions remain a priority for the Group, and we are continuing to progress projects to reduce our own operational emissions.

Further indication of the likely future developments, including the impact of government 2050 net zero policies on the business can be found in the Streamlined energy and carbon reporting.

Markets and operations

Global markets

High-cost environment

Economies across the globe have come under pressure as they tackle rising inflation and increasing interest rates. This pressure has led to significant increases in underlying costs throughout 2023 and is expected to continue into 2024.

This high-cost environment has directly impacted our underlying cost base and cost of capital, putting pressure on margins across our business. Following a review across our business, we implemented a number of cost saving measures throughout the year and restructured parts of our business to ensure we are operating efficiently and best positioned to support our customers in the near term and more broadly through the ongoing energy transition.

Global diesel balances

Throughout 2023, global oil demand remained strong, however down from 2022 levels. The market tightness experienced in 2022 continued into 2023, exacerbated by the sanctions against Russia.

With global diesel demand outstripping production and diesel stocks declining following the improved inventories towards the end of 2022, diesel prices remained high and the market generally remained in a backwardated pricing structure

Diesel costs into Europe remained high, challenging margins, as product was sourced from Asia and the USA to replace historical flows. Towards the end of 2023, unrest in the Middle East led to disruptions to key shipping routes through the Red Sea, adding further challenges to the global supply chain.

Our extensive supply chains provide us with optionality to source products globally to ensure reliable supply for our customers.

Strategic report (continued)

Markets and operations (continued)

Renewables

Markets and opportunities

Rising obligations

Rising renewable obligations in the UK continue to increase demand for renewable transport fuels.

The Renewable Transport Fuel Obligation (RTFO) regulates the percentage of biofuel that suppliers are obligated to blend into their gasoline and diesel. Since 2018, this percentage has increased year-on-year to 12.5% in 2023, and will continue up to 17.4% by 2032. This obligation also requires a growing percentage of waste-based biofuels to be blended, limiting the level of crop biofuels, and creating increasing demand for our waste-based biofuels.

The RTFO also requires a growing percentage of biofuel that is classified as 'development fuels' or dRTFOs. Defined as new types of advanced biofuels made from sustainable wastes and residues, they are required to have a greenhouse gas saving of at least 65% and represent a significant opportunity for Greenergy.

Our expertise in producing, supplying and trading renewable fuels allows to support our customers through the application of these regulations.

Operational review

We continue to build on our position as a leading European waste-based biodiesel manufacturer, investing in our own production to further improve efficiency and continuing to evaluate lower-carbon renewable projects to support the energy transition.

Biodiesel raw material supply

Following on from the market constraints experienced in 2022, disruptions to raw material supply continued throughout 2023. As legislative blending obligations increased once more in the UK, Europe and North America, demand for waste feedstock grew significantly, putting additional pressure on margins. With high costs and constraints on available feedstocks, biodiesel plants across Europe were forced to shut down for a period.

We source waste-oils globally to manage our raw material costs and source a wide range of waste oils best suited to meet our technical quality and sustainability specifications. Supply of waste oils continued to be constrained throughout 2023. To manage these constraints, at one of our plants we decreased output, temporarily ceasing production and then supplemented waste oils in the latter half of 2023 with virgin oils to continue production. The reduced availability of feedstock within the market also led to various feedstock quality issues which impacted margins of our sourcing and production businesses, particularly in the first half of 2023.

Production and supply of lower carbon biofuels

This year, we completed the planned expansion of our Amsterdam plant, increasing output by 25% and expanding pretreatment facilities so that we can efficiently process a larger variety of waste oils, with different technical properties. Further expansion works have also continued at Teesside, improving the efficiency of our plants and allowing us to optimise biodiesel blends for UK supply.

We continue to sell biofuel to other oil companies throughout the UK, Europe and North America to meet increasing obligations.

We blend biofuel into the gasoline and diesel we supply in the UK to meet our own biofuel supply obligations under the RTFO, and are able to generate certificates that can be sold by blending more than our obligated amount. By applying our unique sustainability intellectual property, we are creating value for customers and maximising the value of the biofuels we supply.

Strategic report (continued)

Markets and operations (continued)

Retail, marketing & Supply – UK

Markets and opportunities

Demand and decarbonisation

Road transportation fuel demand remained stable across the UK, increasing 1.16% in 2023. Within demand, gasoline demand increased and diesel demand fell, reflecting the structural change to the market due to changed purchasing habits, which has seen increasing gasoline sales in line with the uptake of hybrid vehicles. Despite both the UK and Irish Governments announcing delays to the ban on the sale of new gasoline and diesel vehicles by five years to 2035, market share for hybrid and electric vehicles continues to grow. This is expected to continue following the introduction of the UK's Zero Emission Vehicle mandate, in January 2024, which sets legally binding targets for vehicle manufacturers to increase the percentage of zero emission vehicle sales each year to 2030. Longer term, government policy will reduce demand for diesel and gasoline. However, as the average lifespan of a car at scrappage is around 14 years¹ and heavy vehicles around 20 years², combined with the current high-cost environment, cars and vans powered by gasoline and diesel will remain on the road for some time, although overall demand is expected to decline. Transitional fuels, including biofuels such as biodiesel, remain one of the most readily deployable renewable options available to tackle greenhouse gas emissions in transport. Capable of reducing carbon emissions from vehicles on the road today, they will continue to play a vital role in the energy transition.

As demand for road fuels continues to decline ahead of 2050, demand for biofuels is increasing. We are committed to supplying our customers through the transition, with a range of lower carbon fuels, and we continue to work closely with our customers to help develop their transition plans. Greenergy's strategy is to ensure supply for existing customers through the energy transition, and is exploring other opportunities for lower carbon fuels such as maritime and aviation.

Import market

Declining domestic refinery production continues to make the UK dependent on fuel imports to meet demand. Imports remained largely steady in 2023, totalling 17.6mt in the UK (2022: 17.4mt)³. As a net importer in the UK, our flexible supply chain allows us to source product from other regions to provide optionality and ensure security of supply.

Operational review

We aim to earn the long-term loyalty of our customers through reliable fuel supply, utilising our market-leading renewables production, national supply footprint and access to strategic import infrastructure. We do this by working to create operational and supply chain efficiencies to reduce costs and ensure supply resilience.

Sourcing, blending and supply

Against a continued backdrop of high costs, our access to key import infrastructure such as the UK's only east-coast deep-water road fuel jetties, Navigator North Tees and its pipeline connections provides us with the flexibility to source larger cargo size ships from further afield, creating economies of scale. Our biodiesel manufacturing is also integrated into our supply chain, ensuring efficient blending of renewables. This supply chain optionality also allows us to ensure continuity of supply for the UK during supply chain disruptions.

We operate sophisticated gasoline blending systems at three of our largest UK import terminals. The scale of our operations allows us to accommodate a wide range of components, creating optionality and flexibility in our gasoline blending. Across 2023, blending components become more readily available allowing us to optimise our gasoline blending and increase margins.

¹ Source: SMMT (www.smmt.co.uk)

² Source: UK Government (www.gov.uk)

³ Source: JODI (www.jodidata.org/oil)

Strategic report (continued)

Responsible business

Process safety

Safety underpins everything we do. We maintain a strong reporting culture across all parts of our business and all locations – from high hazard operating sites and haulage operations to offices.

Approach

Our approach to safety is underpinned by our approach to process integrity. Process integrity (PI) covers health, personal and process safety, quality, environment, security, management of change and compliance matters, and all employees at Greenergy have a vital role to play in process integrity. New starters, including contractors are rapidly introduced to the Greenergy culture of open and honest reporting, and safety walks are undertaken across all locations by staff across all levels, including the Leadership Team.

We continue to operate a comprehensive central reporting system that supports the systematic investigation of each reported observation and event. This allows us to identify lessons learned from individual events, as well as broader trends to ensure we are correcting issues that have the potential to lead to injuries, asset damage, environmental impacts of significant business impacts.

Every incident is shared across Greenergy's management team, and safety performance reports are compiled weekly and reviewed by the senior management team to ensure full scrutiny and to enable knowledge sharing. Where we gain important learning from events, this information is communicated across the Group through noticeboards, weekly management meetings, the intranet and employee app, monthly safety bulletins, toolbox talks and other meetings as part of our policy of prevention and continual improvement.

We continue to review, extend and improve our Safe Operating Standards to provide a structured and consistent approach to safety across all of our operations. Continual improvement in the standards is driven by our Process Integrity team.

Our PI management systems focus on the prevention of unwanted events, however we recognise the potential for such event to occur and the need to be prepared for them. All of our sites and operations have effective emergency management plans in place, and review and test these plans on a regular basis. Our Group Crisis Management Plan is also reviewed, updated and tested regularly, to provide management with clear processes to facilitate effective decision making in a crisis.

Safety record

The ongoing improvement in our safety statistics in 2023 reflects our focus on safety across all parts of the business, with many key statistics remaining consistent or improving from 2022.

Our environment

We seek to reduce the carbon emissions from every litre of fuel we supply and reduce the energy and resource requirements of our operations. Our priorities are to expand production and supply of waste-based biodiesel, ensure diverse and sustainable supply chains with robust certification systems and support our customers through the energy transition.

We devote time and resources into sourcing low carbon biofuels. We do this by:

1. Maximising the carbon savings from the biofuels we choose
2. Preventing land use change and protecting biodiversity
3. Choosing biofuels made from waste where possible
4. Creating sustainable supply chains

Our climate ambitions ensure we utilise our expertise in waste-based renewables, focussing on both reducing emissions from our operations and the products we supply for our customers. We have undertaken significant work to progress our plans to reduce our operational emissions ahead of our 2030 and 2035 ambitions, and we continue to develop plans to address scope 3 emissions ahead of 2050.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD)

The Companies (Strategic Report) (Climate-related Financial Disclosure (CFD)) Regulations 2022 requires large companies to disclose the impact of climate on our business. The Taskforce on Climate-related Financial Disclosure (TCFD) recommendations provide Greenergy with a widely-used framework, which the UK reporting requirements are founded on, to demonstrate the important role it has in the low-carbon transition and in the delivery of renewables from waste resources.

This is our second year of reporting climate-related financial disclosures, following the structure and guidance of the TCFD recommendations. Our disclosure is compliant with UK Governments CFD Regulations, and we have made reference to the disclosure elements throughout the Governance, Strategy, Risk Management and Metrics and Targets sections of the report.

In our first year of reporting, we identified and assessed our climate-related risks and opportunities, reporting and managing those we deemed to be relevant and most significant to our business. In 2023, we have further developed our climate scenario analysis by quantifying the potential financial impact from a subset of those significant risks and opportunities. By understanding climate impacts in commercial terms, we will be able to better integrate climate considerations into our strategy and financial planning.

Our disclosure has been prepared on the basis of the ultimate parent of the Company, Greenergy Group Holdings Limited.

Governance

CFD (a) a description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities.

Responsibilities for the identification and management of Environmental, Social and Governance (ESG) and climate-related issues are integrated throughout the management and operations of our business (see Figure XX).

The Board has ultimate responsibility of climate-related risks and opportunities. Alongside its' committees, it ensures climate considerations are incorporated into the Group's annual business and five year rolling strategic plan. During the year, the Board discussed key projects and actions that form part of the net zero transition plan to 2030. It was informed of upcoming requirements along with market related insights and trends relating to climate and energy transition via the ESG Committee. The Audit Committee completed a review of the information contained within this disclosure on behalf of the Board.

The Leadership Team has responsibility for the operational management of climate related risks and opportunities supported by key functions. Climate change issues and performance, as well as the development and implementation of the Group's ESG strategy, including climate matters, are the responsibility of the ESG Team, who report directly to the CEO and are core members of the ESG Committee.

The ESG Team also engages with government bodies and trade associations to identify existing and emerging regulatory requirements related to climate change. This includes working with ZEMO fuels on life-cycle analysis of fuels and securing emission reductions on existing fleets and vehicles, focusing on future infrastructure and skills needs with the Tank Storage Association and working with the Renewable Transport Fuel Association to demonstrate how increasing the Renewable Transport Fuel Obligation supports net zero policy.

Climate and energy-related compliance issues are monitored at site level and escalated to senior management as matters arise.

Refer to Risk Control Management for more detail.

Strategic report (continued)

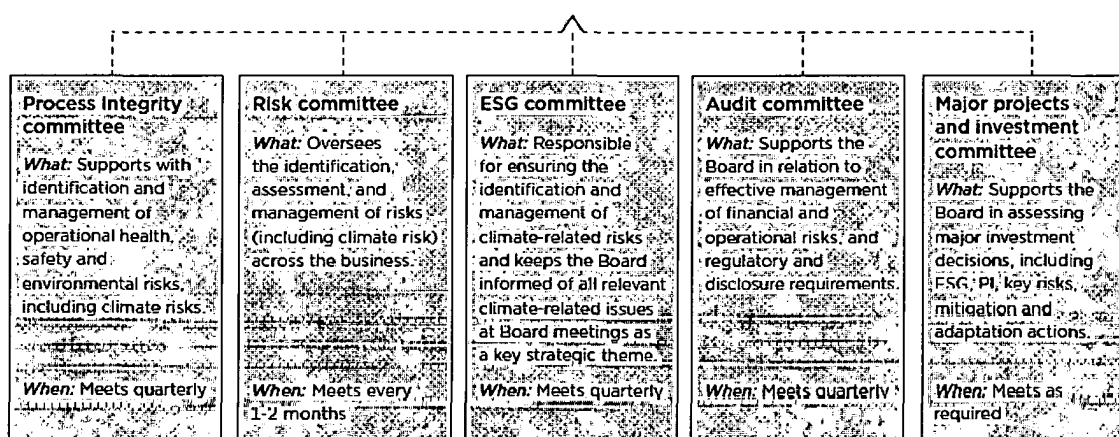
Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Climate related Governance framework

Board Governance

Board of Directors

The Board has ultimate responsibility of climate-related issues with support from the following committees:



Management Governance

Leadership team

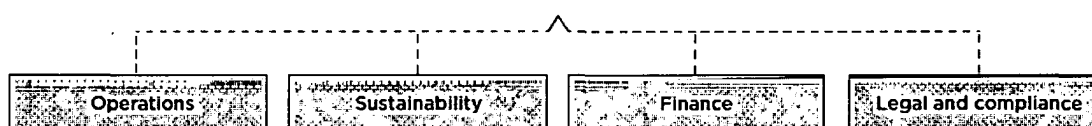
The leadership team has overarching responsibility for operational management of climate related risks and opportunities with support from the following group functions.



ESG team

The Head of ESG is responsible for leading our assessment and management of climate-related risks and opportunities in the future across climate scenarios, with reference to the CFD recommendations.

The ESG team works with the following group functions:



Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Risk Management

CFD (b) a description of how the company identifies, assesses, and manages climate-related risks and opportunities; and

CFD (c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company.

Climate change and climate-related regulatory and compliance risks are part of the Group's principal risk register.

Greenergy has welcomed the adoption of the TCFD framework which has helped guide development of the internal assessment of climate related risks and opportunities. This assessment process began in 2022 with a qualitative assessment and in 2023 we began to quantify the financial impacts from select climate risks and opportunities which is ongoing. This further research and analysis continues to strengthen the Group's understanding of any potential future impacts.

Looking forward, this will be used to inform an ongoing review of the measures required to manage exposure and seize the associated opportunities. Greenergy intends to monitor changes to potential climate impacts annually. The quantitative scenario analysis will be updated every three years, in line with the UK guidance on climate-related financial disclosures.

Risks and opportunities identification and assessment process

In the first stage of the assessment, Greenergy held internal interviews to understand the effect of climate risks and opportunities in different parts of the business. This top-down approach allowed the Group to get a view of the relevant risks and opportunities to different operating functions in the business. Each identified transition risk (including emerging regulatory requirements), physical climate risk, or related opportunity was qualitatively assessed and scored to understand the significance on the Group's strategic resilience.

For risks, a total score was determined as a function of three indicators: vulnerability, likelihood, and magnitude of impact. For opportunities, the total score was determined using two indicators: the size of the opportunity and the business' ability to execute based on strategic alignment and cost to realise the opportunity.

Each identified risk and opportunity were qualitatively assessed, scored, and ranked to understand the comparative significance to the business. This scoring was repeated for each climate scenario and time horizon considered (see principal risks and uncertainties section for more information).

Further to the qualitative assessment, a selection of priority risks and opportunities identified were assessed using quantitative scenario analysis. Risks and opportunities were selected based on the relative significance of climate risks and opportunities to the business across time frames and climate scenarios. Refer to Strategy page XX for assessment results. Following this, the feasibility to quantify was reviewed, which considered the relevant risk drivers and associated data requirements (internal data and external climate change projections). From this screening, a subset of risks and opportunities was agreed for further analysis.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Risks and opportunities identification and assessment process (continued)

For the transition risks and opportunities, impact pathways were developed, and interviews were held with key stakeholders from across the business to refine the data requirements. Additional research was conducted to identify appropriate climate scenarios to overlay on Greenergy's business projections and existing carbon modelling. Models were created for the subset of transition risks and opportunities which included:

- Changes to energy costs: In the energy transition energy prices could change as demand for renewables increases, energy efficiencies are realised, and economies of scale are gained. Amongst several other factors, this could result in price increasing or decreasing over time depending on the source and climate scenario.
- Increased costs associated with carbon taxes: To date, most of Greenergy's assets fall outside of carbon pricing mechanisms. However, it is possible that carbon pricing mechanisms may expand their scope and pricing levels may increase in the future.
- Avoided direct and indirect GHG costs through investment in decarbonisation: Climate mitigation measures to reduce GHG emissions will change Greenergy's exposure to the climate transition. Understanding how these measures can help to avoid future transition costs can strengthen the business case for further investments required to reach climate goals.
- CAPEX required for decarbonisation: Greenergy is aware of the financial investment required to decarbonise its business and has started to identify the known and potential future costs required to transition its business.

To assess the potential financial impact of these risks and opportunities, Greenergy's energy and emissions profile was projected based on business growth plans out to 2050. Climate data, predominantly from the International Energy

Agency was extracted and overlayed onto Greenergy's data to account for regional nuances. The annual financial impact was modelled to provide a sense of scale and an indication of the level of impact under different climate scenarios.

For the physical risks, forward-looking assessments for seven of our largest sites were completed. Using this data, we were able to calculate the Value at Risk (VaR), which is the financial value that can be potentially damaged by climate change events, for two drivers of impact:

- Asset damage loss: caused by each type of extreme event affecting the property value, which is associated with increased maintenance and repair costs.
- Productivity loss: incurred when the asset is not functioning optimally due to climate change impacts or when undergoing maintenance.

The above physical impacts were considered across 13 climate indicators, categorised by hazard type, including flood, heat stress, water stress, fire risk and storms (cold/wind). These indicators were derived from publicly available global climate models⁴. The climate data provided was correlated with site specific data including insured building value and revenue generation to provide an annual assessment of the potential VaR from both asset damage loss and productivity loss against each climate hazard type. Whilst this is not a forecast of potential annual costs or revenue loss, it is a helpful indicator of the potential impacts that physical climate events could have on our key assets. Our financial assessment did not consider the influence of mitigation measures at our sites. As such, we consider potential future impacts to be lower than reported above.

See page 11 for the principal climate risks and opportunities identified.

⁴ (GCMs) of the coupled model intercomparison project (CMIP6) for the periods from 2022 to 2070 with a one-year step under the scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Risk control management

Greenergy incorporates climate factors into its risk management, and has taken action to avoid, mitigate and adapt to physical and transition risks.

Operational and major incident hazards, including those aggravated by climate change such as flooding or extreme temperatures, are identified, monitored, and managed at site level, with support from the Process Integrity and Business Continuity Plan teams. Flooding is one of the main hazards faced by many of our terminals and plants which are coastal or riverside. The risks and associated mitigations are outlined and managed in our risk register.

Risks and opportunities relating to forthcoming regulation and policy are discussed at each ESG Committee meeting as a standing item as part of the horizon scanning process. Specific requirements and more in-depth discussion may be scheduled via a future standalone agenda item where required. For example, in 2023, the ESG Committee were presented with a detailed paper on the incoming EU Corporate Sustainability Reporting Directive requirements.

The Group has also responded to transition risks, such as the adoption of an internal carbon price. An internal carbon price of £80 per tonne / CO₂e was set at the end of 2022 to reflect increases with UK ETS cost and expected future price increases. Throughout 2023, the ESG Committee discussed proposed metrics to support its commitment to prioritise growth capital on projects that reduce emissions intensity and discussed guidance to consistently incorporate carbon pricing into investment calculations and large capital discussion decisions.

Risk integration into overall risk management processes

Climate change and climate-related regulatory and compliance risks, such as biofuel supply obligations or the Renewable Transport Fuel Obligation (RTFO) scheme feature in the Group's principal risk register. Climate-related physical risks sit as risk drivers to the Business Continuity principal risk. Both form part of the Group's principal risk register.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Strategy

CFD (d) a description of—

(i) the principal climate-related risks and opportunities arising in connection with the operations of the company, and

(ii) the time periods by reference to which those risks and opportunities are assessed;

CFD (e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company; and

CFD (f) an analysis of the resilience of the business model and strategy of the company, taking into consideration of different climate-related scenarios.

As a leading supplier of waste-based renewables, we are committed to reducing emissions in transport.

The climate scenario analysis process

Greenergy has conducted a Group-level assessment of climate-related risks and opportunities.

Our initial climate scenario analysis was completed in 2022 and included the qualitative assessment of identified climate-related risks and opportunities across different future climate scenarios. This entailed scoring and ranking the most significant climate risks and opportunities that affect our business.

This year, we began the second phase of our climate scenario analysis to model the financial impacts of a selection of Greenergy's most significant climate risks and opportunities (refer page 15-18 for selection basis). The financial impact assessment considers the effects of climate change under different climate scenarios to help inform business strategy, over the long-term. We are in the process of reviewing assumptions, verifying results and socialising the outcomes across relevant business functions. The results of this analysis will enable better integration of climate considerations into our climate transition planning and give the ability to incorporate avoidance of future carbon and climate costs to more accurately understand the return on investment (ROI) from decarbonisation and adaptation measures.

More information on our approach is described within Risk Management on pages 17 to 19.

Climate risks and opportunities assessment

Climate-related risks and opportunities, and an understanding of the potential financial impact to Greenergy, were identified through desk-based research and extensive engagement across business functions to account for the nuances between different geographies and business units.

The tables on pages 14 to 18 set out the priority risks and opportunities that were qualitatively grouped using the CFD classifications of policy, technology, market, reputation and physical risks. Identified risks and opportunities were scored and ranked using three assessment criteria: vulnerability (a function of exposure, adaptive capacity, and sensitivity), magnitude and likelihood across climate scenarios and time horizons.

The identified risks and opportunities were considered across the following time horizons:

- **Short-term:** equivalent to 0-1 years, which aligns with the Group's annual business planning
- **Medium-term:** equivalent to 1-5 years, which aligns with the Group's strategy planning cycle
- **Long-term:** equivalent to 5 years to 2050, in recognition that climate manifests over longer time periods, and in alignment with typical timelines for global net zero goals

Greenergy referenced climate projections from a range of climate scenarios to assess the potential impact of climate change under uncertain futures. We have adopted three sets of scenarios to ensure a broad spectrum of potential future climate impacts is considered.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

	Paris ambition action (Paris)	Delayed action (Delayed)	Business as usual (BAU)
Scenario storyline	Paris-aligned scenario, with ambitious and gradual efforts to limit temperature rise.	Slower, less ambitious policy action OR a time lag before sudden ambitious action.	Limited to no action, with society continuing along past trends resulting in extreme warming.
Rationale for inclusion	A Paris-aligned scenario has been included to assess Greenergy's resilience against a 1.5°C or lower scenario. Scenario considers the impact a rapid transition has on Greenergy's ability to execute opportunities.	A delayed action scenario has been included to assess Greenergy's resilience against a 2°C or lower scenario and to consider the impact delayed policy has on Greenergy's ability to execute opportunities.	A business-as-usual scenario has been included to assess Greenergy's resilience to higher physical risks, and to consider the impact a slow transition has on Greenergy's ability to execute opportunities.
Scenario sources	<ul style="list-style-type: none"> Network for Greening Financial System (NGFS)⁵ orderly (net zero 2050) transition REMIND-MAgPie net zero scenario IPPC's SSP1-2.6 IEA net zero emissions 2050 (NZE) 	<ul style="list-style-type: none"> NGFS Disorderly (delayed) transition REMIND-MAgPie delayed action scenario IPPC's SSP2-4.5 IEA announced pledges (APS) 	<ul style="list-style-type: none"> NGFS hot house world (current policies) REMIND-MAgPie current policy scenario IPPC's SSP5 8.5 IEA stated policies (STEPS)
Temperature outcome range (2100)	1.4°C - 1.8°C	1.6°C – 2.7°C	2.6°C - 4.4°C

Priority risks and opportunities impact assessment

Consideration has been given to the priority risks and opportunities that have been identified as the most significant to Greenergy's business, and the actions we are taking to manage and respond to these. These have been prioritised on their overall risk score across all three scenarios and time horizons (refer to page 14-18 for methodology). The assessment results shown in the table below provide a risk score of low to high, for each climate scenario and time horizon. These ratings are relative scores of the climate risks and opportunities identified, as such, high impact refers to risks with higher impact compared to other climate risks. Following the completion of our first quantitative financial assessment we are in the process of assessing the financial materiality of climate risks and opportunities to enable easier comparison to other business risks.

Transition risks have been identified as posing the greatest potential impact on our business and strategy. Physical risks pose less of a risk to Greenergy due to the controls and business continuity plans in place to minimise potential damage and disruption after 2050. In addition to the opportunities outlined, we deliver products aligned with the low carbon transition.

⁵ Network for greening the financial system (NGFS) scenarios used for transition risks, including projection of energy demand, price changes, shadow carbon price etc. IPPC WGI interactive atlas utilised for physical risks pricing information on changes across climate variables including temperature, precipitation, snowfall, and wind.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Qualitative assessment of priority risks and opportunities

Key for risk and opportunity tables



High or very high impact



Moderate impact



Low or minimal impact

Market Risks				
Increased competition to procure waste-derived feedstock Impact: Operational costs – Growing demand for waste-derived feedstock without an increase in supply, could result in an increase in price.		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	M	H
	BAU	M	L	L
Shift in demand for road fuels reduces demand for Greenergy's product Impact: Revenue - Mandates and incentives to shift from ICE vehicles, as well as improving fuel efficiency, could reduce demand for fuels / biofuels in the future.		Short	Medium	Long
	Paris	L	H	H
	Delayed	L	H	H
	BAU	L	M	H
Management actions: <ul style="list-style-type: none"> • Greenergy has a robust and diverse global supply chain to ensure continuity of feedstock supply. • Whilst the road transport energy transformation is underway, there is growing pressure on other transport sectors to decarbonise. Greenergy already works with suppliers and customers to understand their transition strategies and is well placed to serve these sectors in their decarbonisation efforts through its supply of waste derived fuels. • With the average lifespan of a car at scrappage around 14 years and heavy-goods vehicles difficult to electrify, cars and trucks powered by gasoline and diesel will remain on the road for some time. Greenergy intends to continue serving this demand alongside investing and developing renewable solutions. 				
Market Opportunities				
<ul style="list-style-type: none"> ○ Expansion of low-carbon road fuel product offering – commercial clients are increasingly motivated to achieve GHG reduction targets and are seeking low-carbon fuels. ○ Expansion of biofuels into alternative markets – EU and UK legislation is considering the use of biofuels in other modes of transport such as marine and aviation. Greenergy will be well placed to gain a competitive advantage in these markets. ○ Development of low carbon products – Increasing demand for low carbon fuels and by-products that support decarbonisation and other environmental targets will provide future growth opportunities. ○ Globally diversified supply chains ensures Greenergy is more resilient to feedstock competition as it has multiple sourcing options. 				

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Qualitative assessment of priority risks and opportunities (continued)

Policy Risks				
Increased pricing of GHG emissions applied to direct operational emissions Impact: Operational costs (tax): Introduction and expansion of carbon pricing mechanisms e.g., UK ETS, as well as changes to energy prices as the grid decarbonises, will increase operational costs for Greenergy if they are not able to decarbonise operations.		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	M	M
	BAU	M	M	M
Increased costs to meet RTFO/ clean fuel mandates Impact: Operational costs - As the main obligation and development fuel target increase up to 2032 Greenergy may need to pay the buy-out for an increasing volume of fuel. This may have a significant impact if the blending cap remains the same and whilst development fuels are still under development.		Short	Medium	Long
	Paris	M	M	M
	Delayed	M	M	M
	BAU	M	M	M
Management actions: Greenergy is committed to carbon neutral operations by 2035, with a 50% reduction by 2030 against a 2020 baseline. Therefore: <ul style="list-style-type: none"> • Greenergy has implemented solar panels and energy-saving measures at our biodiesel plants in Amsterdam and the UK. In addition, the installation of new boilers and cooling towers, and the implementation of energy policies will reduce carbon-intensity across operations. • Greenergy continues to undertake feasibility studies to understand potential GHG reduction and energy-saving measures including green steam and electric supply, alongside other technologies. • As a leading manufacturer of biodiesel from waste, Greenergy is uniquely positioned to meet growing demand for biofuels from higher UK blending obligations from our own plants. • In Canada, we blended sustainable biofuels above our blending obligation and sell Compliance Units to other parties. Greenergy is investing in our terminal facilities across Ontario to bring more low carbon fuel options to the region. 				
Policy related opportunities				
<ul style="list-style-type: none"> ○ Increasing the proportion of renewable fuels in supply gives Greenergy greater flexibility to meet the RTFO. ○ Emerging legislation in markets outside of the UK – Legislation to support and incentivise the use of low-carbon fuels is being implemented globally, creating further opportunities for Greenergy in its key markets such as Ireland and Canada. ○ Competitive advantage in marketing low-carbon products in Canada – leveraging Greenergy's certification experience, our Canadian business can gain a competitive advantage in an emerging market. ○ Investment in low-carbon measures reduces Greenergy's exposure to transition risks – Greenergy is investing in haulage trucks that are compliant with high biodiesel blends which delivers significant GHG emission savings, as well as implementing energy efficiency measures at plants and terminals (e.g. the installation of new boilers and cooling towers and energy policies, and feasibility studies for green steam, electric supply) to reduce operational emissions. 				

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Qualitative assessment of priority risks and opportunities (continued)

Technology Risks				
Cost to invest in infrastructure to align with the direction of the energy transition Impact: Capital expenditures - Investment is required to service new products to avoid loss opportunity cost.		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	H	H
	BAU	M	M	M
Large costs, and limited technological solutions to decarbonise emissions intensity of operations Impact: Capital expenditures - Some of the largest contributions to Greenergy's emissions profile are hard to abate e.g., use of kerosene to heat plants, either because technological solutions are not commercially available and/or measures carry significant upfront costs.		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	M	H
	BAU	M	M	H
Management actions: <ul style="list-style-type: none"> • Greenergy is committed to carbon neutral operations by 2035, with a 50% reduction by 2030 against a 2020 baseline. • Greenergy is active in developing and implementing a low-carbon strategy, to decarbonise operations, as well as increase the supply of low-carbon products and services. • Greenergy has introduced energy-saving measures at our biodiesel plants and we continue to seek new opportunities that can be replicated. 				
Technology opportunities				
<ul style="list-style-type: none"> ○ Expansion of low-carbon road fuel product offering – Commercial clients are more motivated to achieve GHG reduction targets, and as such are seeking low-carbon fuels. ○ Reputational benefits - Greenergy is actively exploring opportunities to bring renewable liquid fuels to market to support commercial clients looking to achieve GHG reduction targets. Investment in low-carbon measures reduces Greenergy's exposure to transition risks – the installation of new boilers and cooling towers, along with energy policies will reduce carbon intensity across operations. Greenergy has invested in haulage vehicles that are compliant with high biodiesel blends, including 100% biodiesel, which delivers significant GHG emission savings. Feasibility studies are underway to understand other areas of potential reductions, including green steam and renewable electricity supply. 				

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Qualitative assessment of priority risks and opportunities (continued)

Reputational Risks				
Decreased access to working capital for the oil and gas sector in the low-carbon transition Impact: Capital and financing - Public perception and investor appetite for fossil fuels has declined in recent years. As a result, Greenergy may experience challenges in accessing working capital against the Group's collateral assets e.g., inventory.		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	H	H
	BAU	M	M	H
Decreased access to financing for fixed capital if Greenergy does not meet ESG lending requirements Impact: Capital and financing - If Greenergy does not meet bank/ lender requirements, which may include expectations on published decarbonisation and transition plans, it may face restricted access to capital, or increased lending costs.		Short	Medium	Long
	Paris	M	H	H
	Delayed	L	M	H
	BAU	L	M	M
Management actions: <ul style="list-style-type: none"> • Greenergy's strategic plans are focused on longer-term projects for low carbon renewables. • Greenergy continues to maintain regular dialogue with its banking syndicate to ensure ongoing support. • Greenergy is committed to carbon-neutral operations by 2035, with a 50% reduction by 2030 against a 2020 baseline. • Greenergy has developed its transition plan to 2030 and continued to develop plans across scope 3 emissions and beyond 2030. 				
Reputational opportunities				
<ul style="list-style-type: none"> ○ Expansion of low-carbon road fuel product offering – Commercial clients are more motivated to achieve GHG reduction targets and are seeking low-carbon fuels. ○ Increasing demand for low carbon fuels and by-products that support decarbonisation and other environmental targets will diversify revenue. ○ Reputational benefits - Greenergy is actively exploring opportunities to bring renewable liquid fuels to market to support commercial clients looking to achieve GHG reduction targets. 				

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Qualitative assessment of priority risks and opportunities (continued)

Physical Risks				
Disruption and damage to terminals, plants and other owned equipment from extreme weather events e.g. flooding An increase in the frequency and severity of extreme weather, for example flooding, can cause damage to assets, such as terminals, and disruption to operations. Impact: Revenue - Losses due to business interruption Impact: Asset value - Losses associated with repair and maintenance costs		Short	Medium	Long
	Paris	H	H	H
	Delayed	H	H	H
	BAU	H	H	H
Disruption in the supply chain at supplier assets or in transportation Impact: Revenues - Supplier operations may be impacted by physical climate changes and extreme weather events which may cause disruption to supply.		Short	Medium	Long
	Paris	L	H	H
	Delayed	L	H	H
	BAU	L	H	H
Management actions: <ul style="list-style-type: none"> Following previous flooding at Immingham, Greenergy rebuilt the site with flood defences to improve site resilience. Greenergy's insurance program covers damages and business interruption due to physical damage, or loss of access, to sites. Greenergy uses FM Global's Natural Hazard map to review physical risks to key sites. Greenergy sources feedstock and products from around the world. By maintaining optionality, we are able to quickly respond to disruptions to the supply chain. Greenergy monitors risk to biodiesel manufacturing facilities and coastal import terminals from rising sea levels, and with current forecasts these are not expected to have a significant impact until after 2050. 				
Physical opportunities				
<ul style="list-style-type: none"> Investment in adaptation measures to increase resilience of operations to extreme weather events. Globally diversified supply chain means Greenergy is more resilient to climate events. 				

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Ongoing quantitative assessment of priority risks and opportunities

In 2023, we began work to model the financial impact of a selection of the identified priority climate risks and opportunities, building on previous qualitative assessments. The risks being assessed quantitatively were selected based on the relative significance of each risk to Greenergy's business, the availability of data and the feasibility of quantification. Further detail on the methodology can be found under **Error! Reference source not found.** For each risk, we identified relevant value drivers which could derive a financial impact for Greenergy. The mapping of value drivers in the quantitative assessment against the priority risks identified is shown in the table below.

Priority risks selected	Value driver considered in financial assessment
Disruption and damage to terminals, plants and other owned equipment from extreme weather events e.g. flooding	<ul style="list-style-type: none"> Asset damage (risk) Asset disruption (risk)
Increased pricing of GHG emissions applied to direct operational emissions	<ul style="list-style-type: none"> Energy price change (risk) Carbon tax (risk)
Large costs, and limited technological solutions to decarbonise emissions intensity of operations	<ul style="list-style-type: none"> Capex requirements (risk) Avoided energy costs (opportunity) Avoided carbon tax (opportunity)
Cost to invest in infrastructure to align with the direction of the energy transition	<ul style="list-style-type: none"> Revenue generation (opportunity)

Our initial financial impact assessment has considered the potential financial impact from unmitigated physical risk for several key sites as well as select policy and market risks before and after mitigating action. This helps us to understand the financial opportunity associated with the implementation of our decarbonisation plans. The diagram below illustrates the different transition risk / opportunity drivers considered in the assessment, depicting the value drivers being quantified for illustrative purposes.

Our physical risk assessment reviewed the potential impacts from chronic and acute climate change, alongside the site asset value for seven priority sites (terminals and plants) out to 2050 under different climate scenarios. This included review of potential asset disruption and damage, including the cost for repairs and maintenance, and the potential revenue losses from business interruption, recognising that impacts will be minimised through adaptation plans.

The quantitative assessment is still ongoing as we engage across the business to test assumptions, verify outputs and consider the integration of modelling into existing business processes and assessments.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Ongoing quantitative assessment of priority risks and opportunities (continued)

Before mitigation		After mitigation				
Potential impacts under climate scenario before accounting for decarbonisation action.		Greenergy has already developed and integrated a decarbonisation plan into its business and financial planning.		Whilst there will be some CAPEX requirements, the expected reduction in energy consumption and associated emissions will significantly reduce the potential financial impact.		
For illustrative purposes only						
Energy price change: Increasing operational costs from increased consumption and costs of energy		Carbon tax: Introduction/ expansion of carbon pricing mechanisms could increase operational taxes		CAPEX requirements: Investment for decarbonisation measures		Avoided energy: Reduction in energy consumption will reduce operational costs:
Avoided carbon tax: Reduction of emissions will reduce exposure to potential future taxes		Revenue generation: Potential for low-carbon technologies to create new revenue streams		Net impact: Depending on the extent of impacts, the net impact could be positive or negative		
Opportunity						

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Climate resilience

Whilst the climate transition poses a risk, it also creates opportunities for Greenergy to continue its development and supply of products that deliver low-carbon and circular solutions, as well as enhance the Group's resilience.

Our climate scenario analysis has tested the resilience of the business model and strategy under three different climate scenarios including a high-warming scenario (+2.5C), middle of the road scenario (~2C) and an ambitious climate policy scenario (1.5C).

The outcome of our qualitative assessment demonstrates that the potential financial impact due to unmitigated physical and transitional risks could be significant under both BAU and Paris scenarios, with a time horizon out to 2050 (see climate change principal risk on page 27).

Whilst Greenergy will be impacted by the changing climate and policy landscape, it is already responding to these changes through asset adaptation plans, investment into product diversification, and decarbonisation of operations.

Greenergy's Business Continuity Plans include adaptation measures which is expected to significantly mitigate the potential disruption which could be caused by physical climate change hazards. Our commitment to decarbonise business operations and expand lower carbon fuel products could substantially reduce our transition risk exposure.

The potential impact of climate change is already integrated into Greenergy's strategic plans. As such through these adaptation and mitigation measures, we are strengthening our resilience to climate change over time minimising the potential financial impacts under both BAU and Paris scenarios. In addition, we are proactive in seizing opportunities to support the low-carbon transition which in net terms could outweigh the potential downside.

The assessment findings do not alter Greenergy's current strategic plans.

Our products:

Greenergy is committed to delivering sustainable solutions for transportation through the energy transition. Our business is closely linked to providing customers with climate change solutions and as a result, climate is already embedded in the way we think about our strategy and how we manage and respond to risks, ensuring the resilience of our strategy under the climate transition.

Greenergy recognises that diversification of its products is key to supporting its customers through the energy transition.

Our assets

Ensuring the Group's resilience to physical climate hazards forms part of the Business Continuity Plans developed for each site. Investment in climate adaptation measures ensures the Group can enhance its preparedness and ensure resilience. For example, at our Immingham Biodiesel Plant where flood risk poses the greatest physical threat to our assets, we have the following measures in place to increase the resilience of this plant:

Assessments conducted	<ul style="list-style-type: none"> Flood Risk Assessment conducted in 2013 and shared with the Environment Agency for HV Substation Creation Routine inspection of flood defence system conducted in 2018 Environment Agency conducted a flood preparedness audit in 2022
Processes in place	<ul style="list-style-type: none"> Routine inspections of the flood defence system and its readiness. Emergency preparedness and response procedures. Procedures and responsibilities to identify and evaluate interactions and impacts of the plant on the environment. Documented guidance for operations personnel containing operating procedures for the sump pumps associated with the flood defence measures installed in 2015. Well-developed list of potential (credible and major) incidents Incident Business Plan with instructions/actions for staff

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Our operations

Greenergy continues to invest in the decarbonisation of our own operations through the implementation of energy efficiency measures and switching to renewable or lower-carbon energy sources at our plants and terminals.

This year, we completed expansion works at two biodiesel plants in the UK and Amsterdam. The work included upgrading pre-treatment process capability, allowing for a wider range of waste oils as feedstocks to be more efficiently processed into lower carbon biodiesel. Now complete, the works in Amsterdam have increased production capacity by over 25% to meet rising demand for waste-based biofuels.

Recognising that emissions from our haulage fleet represent a significant portion of our Scope 1 and 2 emissions, we have continued to implement high biodiesel blends (such as B20) in a portion of our in-house haulage fleet, Flexigrid, to reduce emissions from our operations and demonstrate the immediate savings and impact of B20 on a commercial fleet. We continue to invest in upgrading our fleet to ensure maximum efficiency, and by the end of 2024 around 80% of the fleet will have the capability to run on high biodiesel blends. In Ireland, we have invested in infrastructure and converted our haulage to run on HVO and B20.

In the long term, we will be monitoring the development of emerging technologies to reduce or eliminate the harder-to-abate emissions in our direct operations.

Refer to strategic report page 9 to page 13 for further detail.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Metrics and Targets

CFD (g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and

CFD (h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.

Climate change is identified as a principal risk in recognition of low carbon transition impacts and potential physical impacts of climate change. Our climate impact assessment has provided a more granular understanding of risks and subsequently increased the comparative importance of climate change as a principal risk.

Greenergy monitors its performance across a range of absolute and intensity environmental indicators, which keeps the Group informed of and accountable for its environmental impact.

We measure operational (Scope 1 and 2) GHG emissions as well as emissions from all material Scope 3 categories relating to indirect emissions. This includes emissions from the use of sold products, upstream and downstream transportation and distribution, and purchased goods and services, for all UK plants, terminals and offices. As well as other environmental metrics related to avoided emissions, water, energy, renewables, waste, and fuel-specific intensity metrics. In 2022, the Group prioritised the development of a more comprehensive Scope 3 inventory, which has been developed further during 2023 to refine data reporting processes and quality.

Greenergy has committed to achieving net zero (Scope 1, 2 and 3) emissions by 2050 or sooner, and to attaining carbon neutrality⁶ of operational (Scope 1 and 2) emissions by 2035, with an interim target to reduce gross emissions by 50% by 2030, against our 2020 baseline. This target underpins many of our risk management response options which drive a decrease in energy use and emissions, and therefore reduces our potential future impacts from transition risks.

In line with our strategic commitment to supply low-carbon fuels and circular solutions, we have also set a target of helping our customers avoid 8m tCO₂e by 2030, and 12m tCO₂e by 2035, with our products, which we are on track to achieve (see page 13). This target is based on the emissions savings associated with the blending of biofuels into sold products compared with the emissions if there had been no blending of biofuels. This target, alongside our goals to support our customers through the transition, helps us to focus on changes in our market and contribution to the low-carbon transition.

The Science-based Targets Initiative (SBTi) continues to develop methodology for oil and gas companies to set science-based targets. Greenergy continues to monitor best practice and global industry standards for decarbonisation targets.

⁶ Carbon neutrality - the reduction of gross Scope 1 and 2 emissions as far as possible, after which we will balance remaining carbon emissions with projects which remove and sequester carbon from the atmosphere.

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Greenergy's climate-related metrics and targets

Greenergy has various KPIs that are used to report publicly and track internally and recognise the benefit of setting metrics that align with our priority risks and opportunities. We have used the TCFD recommended cross-industry climate-related metric categories to help synthesise our key metrics used to monitor our risk and opportunity exposure and performance on targets.

Metric category	Metric reported	Rationale	Associated climate risks and opportunities	Ref
GHG emissions: Absolute Scope 1, Scope 2, and Scope 3; emissions intensity	<ul style="list-style-type: none"> Tonnes of CO₂e emissions - Scope 1, Scope 2, Scope 3 Tonnes CO₂e per cubic metre of product sold. Tonnes of CO₂e per employee Tonnes CO₂e emissions by activity (renewables, Retail, marketing, 	<p>Greenergy has committed to attaining carbon neutrality of operational (Scope 1 and 2) emissions by 2035 and reaching net zero by 2050 or sooner.</p> <p>Greenergy is working to lower the carbon intensity of its products. The emissions intensity of sold products measures our progress against our ambitions.</p> <p>Tracking our GHG emissions profile helps to monitor our exposure to the risk of GHG emission pricing.</p> <p>Monitoring our GHG emissions profile enables the business to understand the effectiveness of our management responses in relation to climate related risks.</p>	<ul style="list-style-type: none"> Policy - Increased pricing of GHG emissions applied to direct operational emissions. Technology – Cost to invest in infrastructure to align with the direction of energy transition. Technology – Large costs and limited technological solutions to decarbonise emissions intensity of operations. Reputational – Decreased access to financing for fixed capital if Greenergy does not meet ESG lending requirements. 	Pg 14-18
Transition Risks: Amount and extent of assets or business activities vulnerable to transition risks	<ul style="list-style-type: none"> Renewable Transport Fuel Obligation (% share of fossil fuel, by volume) Ireland Biofuel Obligation Scheme (% share of fossil fuel by volume) 	Obligations indicate the size of the renewable fuels market which increases annually. Greenergy must meet (or exceed) these obligations or pay the buy-out price.	<ul style="list-style-type: none"> Policy – Increased costs to meet RTFO/clean fuel mandates 	Pg 14
Physical Risks: Amount and extent of assets of business activities vulnerable to physical risks	Greenergy is looking to set metrics and risk management indicators to measure and monitor the extent to which our most significant physical risks impact our business, and to monitor the management actions we are taking.	n/a	n/a	n/a

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Greenergy's climate-related metrics and targets (continued)

Metric category	Metric reported	Rationale	Associated climate R+Os	Ref
Climate-related Opportunities: Proportion of revenue, assets, or other business activities aligned with climate-related opportunities	<ul style="list-style-type: none"> Fuel efficiency of our haulage fleet (mpg) % renewable electricity Total renewable energy (MWh) Total energy consumption (MWh) CO₂e saving from the supply of our biofuels (million tonnes) CO₂e saving for every litre of biodiesel that replaced diesel (kg) Portion of biodiesel produced from waste (%) Carbon saving from the biofuels we blend (%) 	<p>Metrics indicate result from improvements in fuel and energy consumption.</p> <p>The renewable energy consumption supports Greenergy's carbon neutrality ambitions.</p> <p>Investment in low-carbon measures reduces Greenergy's exposure to transition risks and future carbon pricing, as well as increasing resilience of operations to extreme weather.</p> <p>Repurposing of waste feedstock to support the energy transition.</p> <p>Metrics indicate the emissions savings associated with increasing use of biofuels to replace fossil fuels.</p>	<ul style="list-style-type: none"> Policy – Increasing mandates for renewables increases the market for renewable fuels. Technology– Investment in low-carbon measures reduces Greenergy's exposure to transition risk. Reputational – Expansion of low-carbon product offering as commercial clients are more motivated to achieve GHG reduction targets and seeking low-carbon fuels. Physical – investment in adaptation measures increases resilience of the operations to climate events. weather events. 	Pg 14-18

Strategic report (continued)

Non-financial and sustainability information statement - Climate-related Financial Disclosure (CFD) (continued)

Greenergy's climate-related metrics and targets (continued)

Metric category	Metric reported	Rationale	Associated climate R+Os	Ref
Internal Carbon Prices: Price on each ton of GHG emissions used internally by an organisation	<ul style="list-style-type: none"> Internal carbon price (£ per tonne). 	Setting and updating our internal carbon price helps inform the potential ROI of the large capital decisions we make in considering investment in low carbon measures, and our business planning process.	<ul style="list-style-type: none"> Policy – Increased pricing of GHG emissions applied to direct operational emissions. Technology - Cost to invest in infrastructure to align with the direction of energy transition. Technology - Large costs and limited technological solutions to decarbonise emissions intensity of operations. Reputational - Decreased access to financing for fixed capital if Greenergy does not meet ESG lending requirements. 	Pg 19

Strategic report (continued)

Streamlined energy and carbon reporting

We operate within a culture of continual improvement, looking to make our processes more efficient and sustainable to reduce the impact of our operations.

Energy consumption

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

We have continued to make good progress to improve our energy consumption across our operations through introduction of energy efficiency measures and modifications to our plants. Despite the business delivering a higher volume of product in 2023 compared to 2022, we reduced our total energy consumption across the group by 10%

We aim to have 100% of electricity purchased coming from renewable sources by 2025 or sooner. In 2023, we continued the process of switching the electricity contracts we control to certified renewable tariffs. At the end of 2023, 99% of the electricity used from contracts we control was renewable.

Energy consumption (MWh) across the Company and subsidiaries by type

	2023	2022 ⁷ (restated)
Non-renewable fuel	251	374
Renewable fuel	14	31
Non-renewable electricity	2,866	3,962
Renewable electricity	24,193	26,408
Heat	185,071	204,088
Total non-renewable energy	188,188	208,424
Total renewable energy	24,207	26,439
Total energy consumption	212,395	234,863

Fuel – includes diesel, biofuel, business travel.

Heat – includes natural gas, gas oil and kerosene.

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.

In setting our commitments, we chose to separate our emissions into operational (Scope 1 and 2) and Scope 3, so that we can better measure progress made within our operational control. We have also chosen to focus on increasing the greenhouse gas savings of the products we sell.

Guidance from the GHG Protocol, Science Based Targets Institute and the Task Force on Climate-related Financial Disclosures has been used in agreeing our commitments.

Throughout 2023, we rolled out new emission reporting software to improve the robustness of our data and the emission factors used in our calculation. The new software also provides the business additional analytical tools to monitor the impact of any reduction programmes and review key trends against our targets. We continue to develop our roadmap and plans to meet our 2030 and 2035 commitments.

Capital expenditure

We continue to assess the impact to our emissions intensity of projects requiring growth capital, prioritising projects that support a reduction in emissions intensity. During 2023, we further developed the process and supporting guidance across the business in applying this assessment consistently.

Our commitment:

1. Carbon neutral operations by 2035 (50% by 2030) against 2020 baseline
2. Help our customers avoid 8m tCO₂e by 2030 and 12m tCO₂e by 2035 with our products
3. Achieve Net Zero⁸ by 2050 or sooner

⁷ 2022 figures have been restated following a review of emission factors, and the introduction of more robust reporting across the Greenergy Group.

⁸ Net Zero is defined as a state of zero/neutral carbon dioxide emissions, primarily through reducing/removing of emissions and then by balancing (Scopes 1,2, and 3).

Strategic report (continued)

Streamlined energy and carbon reporting (continued)

Carbon emissions (continued)

2023 Carbon emissions

Total operational CO₂e emissions decreased across the Group in 2023 from 2022 levels, largely driven by decreased production owing to feedstock constraints. Investments in modifications and energy efficiency measures to our plants and continued the roll out of renewable electricity purchase contracts also helped to reduce our emissions.

CO₂e emissions (*metric tonnes) for the Company and subsidiaries

		2023	2022 ⁹ (restated)
Scope 1 – direct emissions from operations		37,199	42,777
Scope 2 – indirect emissions	Location based ¹⁰	5,043	5,202
	Market based ¹¹	32	95
Total Scope 1 and 2 emissions (operational emissions)	Location based	42,242	47,979
	Market based	37,231	42,872
Scope 3 – indirect emissions		2,530	6,874
Category 5 – waste generated in operations		2,342	6,692
Category 6 – business travel		188	182
Total Emissions	Location based	44,772	54,853
	Market based	39,761	49,746

Intensity figures*

	2023	2022
Metric tonnes CO ₂ e per cubic meter of product sold	0.003	0.003

*Calculations from market based emissions.

Methodology

Conversions from Greenergy operational data have been calculated in accordance with the Defra Conversion Factors 2023 (version 1.1 expiry 10 June 2024).

Our organisational boundary utilises an operational control consolidation approach, with an equity share utilised for our investments. The use of operational control better aligns with others in our sector, to allow for more comparable information, and with the draft guidance of the SBTi sector standard.

We have included all emissions classified in Scope 1 (fuel combustion, company vehicles and fugitive emissions) and Scope 2 (purchased electricity) of the Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard. 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. This reporting is in alignment with the GHG Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard”.

In this report we have also expanded our reporting of Scope 3 emissions categories, including the emissions associated with the use of sold products, upstream/downstream transportation, and investments. KWh / MWh figures follow same methodology as CO₂e calculations, using conversion factor where necessary.

⁹ 2022 figures have been restated following a review of emission factors, and the introduction of more robust reporting across the Greenergy Group.

¹⁰ Location based method of calculating emissions reflecting the average emissions intensity of grids on which energy consumption occurs.

¹¹ Market based method reflects emissions from electricity specifically chosen, for example from the purchase of renewable energy.

Strategic report (continued)

Principal risks and uncertainties

The Group operates in a global industry exposed to risk from a variety of sources. These risk areas pose challenges to all parties involved in oil and feedstock markets and supply. The Group invests heavily in risk management to identify and implement appropriate responses as mitigants.

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 and approved by the Risk Committee on behalf of the Board.

The principal risks to the Group are discussed below. We operate a numerical range for magnitude of impact and likelihood of occurrence after mitigation, with 1 being negligible/low and 5 being extreme/expected. Principal risks identified are considered risk of occurrence in the next 12-24 months.

Health, safety and environmental incidents Our operations involve the storage and processing of fuel products and the movement of these products by ship, train and truck, and includes deliveries to both customer and retail sites. These activities bring us into contact with members of the public and the environment.		Mitigating action The personal health and safety of our staff and customers is our top priority. Safety is embedded in our culture and all staff understand their responsibility, and are empowered to operate safely. We focus on preventing major pollution, injury and/or loss of life due to systems or equipment failure through process management. 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. We audit 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.
Magnitude of impact	Responsibility All staff, Executive Directors and Process Integrity Committee	Magnitude of impact after mitigation
4.5 (2022: 4.5)		3 (2022: 3)
Likelihood of occurrence		Likelihood of occurrence after mitigation
4 (2022: 4)		2.5 (2022: 2.5)

Strategic report (continued)

Principal risks and uncertainties (continued)

<p>Climate change</p> <p>Climate change is identified as a principal risk in recognition of low carbon transition impacts and potential physical impacts of climate change.</p> <p>Risks associated with climate change and the transition to a lower carbon economy will affect markets, policy, technology, reputational and physical risks.</p> <p>Broadly, transition risks have been identified as posing the greatest potential impact on Greenergy's business and strategy. Physical risks pose less of risk to Greenergy in the short and medium term but have the potential to increase.</p>		<p>Mitigating action</p> <p>Our climate impact assessment has provided a more granular understanding of risks and subsequently increased the comparative importance of climate change as a principal risk.</p> <p>Greenergy is committed to delivering sustainable solutions for transportation through the energy transition. Climate is already embedded in the way we think about our strategy and how we manage and respond to risks.</p> <p>Greenergy has welcomed the CFD framework to help guide development of its internal assessment of climate related risks and opportunities. This will be used to inform an ongoing review of the measures required to manage exposure and seize the associate opportunities.</p> <p>Our project pipeline supports our resilience through the climate transition. Diversification of our products we offer will also minimise the effect of changing customer demands.</p> <p>Ensuring the Group's resilience to physical climate hazards is a primary aspect of the Business Continuity Plans developed for each site. In addition, investment in climate adaptation measures ensures the Group can enhance its preparedness and ensure resilience.</p> <p>Greenergy is decarbonising our own operations, implementing energy efficiency measures and switching to renewable or lower-carbon energy sources at our plants and terminals. Longer term, we believe emerging technologies will be needed to further reduce emissions in our direct operations.</p> <p>For more detailed information, refer CFD disclosure p6.</p>
Magnitude of impact	<p>Responsibility</p> <p>Executive Directors, ESG Committee and Head of ESG</p>	Magnitude of impact after mitigation
4.5 (2022: 4)		3 (2022: 3)
Likelihood of occurrence		Likelihood of occurrence after mitigation
4.5 (2022: 4)		4 (2022: 3.5)

Strategic report (continued)

Principal risks and uncertainties (continued)

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>Geopolitical risk continues to have an active impact on markets adding to global uncertainty. Rising social tensions also have the potential to disrupt local supply chains.</p> <p>Recent world events such as the pandemic, sanctions on Russia and unrest in the Middle East, highlight the importance of planning and preparation of unforeseen events and our ability to respond.</p>		Mitigating action <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 for longer-term situations.</p> <p>Comprehensive disaster recovery processes are 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>As demonstrated through the pandemic, we were able to maintain operations to ensure continuous fuel supply for customers, drawing on our crisis plans to implement new ways of working to protect our colleagues and the public in our business operations.</p>
Magnitude of impact	Responsibility <p>Executive Directors and the Senior Management Team</p>	Magnitude of impact after mitigation
4.5 (2022: 4)		3 (2022: 3)
Likelihood of occurrence		Likelihood of occurrence after mitigation
4 (2022: 4.5)		3 (2022: 3)

Strategic report (continued)

Principal risks and uncertainties (continued)

<p>Regulatory</p> <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.</p> <p>Any change to global sanctions and tariffs can also disrupt our supply chain, increasing costs.</p> <p>With emission trading schemes being introduced or expanded, and increased reporting requirements under the Corporate Sustainability Reporting Directive, there will be significant changes to regulations in the years ahead.</p> <p>Examples of historical changes have included:</p> <p>The UK's Renewable Transport Fuel Obligation (RTFO) obligation scheme which sets out the requirements to blend biofuels into road fuel</p> <p>Ireland's Biofuel Obligation Scheme which sets out the requirements to blend biofuels into road fuels</p> <p>The UK standard moving from an E5 standard to E10 (maximum 10% ethanol for gasoline) in 2021.</p> <p>The introduction of the Clean Fuel Regulations in Canada which incentivises blending and measures to reduce carbon intensity.</p>	<p>Mitigating action</p> <p>Our global supply chain allows us optionality to switch product sourcing between regions as required. We have multiple sourcing and delivery locations for all of our feedstock, components and products, ensuring security of supply to our customers.</p> <p>We continue to work with governments in the regions we operate to prepare for any changes and minimise any potential disruptions for our customers.</p> <p>As Europe's largest manufacturer of biodiesel from waste, we are uniquely positioned to meet growing demand for biofuels from higher UK blending obligations from our own plants, and we continue to explore renewables from waste projects to support transport decarbonisation.</p>	
<p>Magnitude of impact</p> <p>3.5 (2022: 3.5)</p>	<p>Responsibility</p> <p>Executive Directors and relevant Board sub-committees</p>	<p>Magnitude of impact after mitigation</p> <p>3 (2022: 3)</p>
<p>Likelihood of occurrence</p> <p>3 (2022: 3)</p>		<p>Likelihood of occurrence after mitigation</p> <p>2 (2022: 2)</p>

Strategic report (continued)

Principal risks and uncertainties (continued)

IT Security <p>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.</p> <p>Unauthorised access to systems either internally or externally create risk of loss of data and exposure under GDPR legislations. Similar privacy and data legislation exist in many jurisdictions we operate in.</p> <p>Greenergy operates in a connected world and with data driving many of our operations, risks to IT security threaten to disrupt our operations impacting on our ability to service our customers.</p>		Mitigating action <p>We work with leading external security specialists to improve our technology, staff awareness and involve 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.</p> <p>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.</p> <p>Our information security strategy is reviewed at Board level.</p>
Magnitude of impact	Responsibility Board, Executive Directors and Head of IT	Magnitude of impact after mitigation
4 (2022: 4)		4 (2022: 4)
Likelihood of occurrence		Likelihood of occurrence after mitigation
5 (2022: 5)		3.5 (2022: 3)

Loss of key staff <p>Loss of key staff would mean loss of knowledge and skills to the Group.</p>		Mitigating action <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>With the acceleration of the energy transition, it is important that all staff understand our strategy for the future and their role within in. The Group recognises the need to engage staff, along with training and retraining our people to ensure they are skilled for the transition.</p> <p>We have a strong focus on wellness and mental health supported by a number of initiatives including an employee assistance helpline.</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>
Magnitude of impact	Responsibility Executive Directors	Magnitude of impact after mitigation
3 (2022: 3)		2 (2022: 2)
Likelihood of occurrence		Likelihood of occurrence after mitigation
4 (2022: 4)		2 (2022: 2)

Strategic report (continued)

Principal risks and uncertainties

Liquidity risk Greenergy operates in a capital-intensive industry. Market volatility can lead to increased calls on working capital as security for our ongoing operations. Sustained higher levels of inflation and cost of funding can put further pressure on near term liquidity As the world looks to decarbonise, there is increasing pressure for companies to satisfy ESG lending requirements and the risk of decreasing access to working capital for the oil and gas sector in the low carbon transition.		Mitigating action The Group has access to various working capital facilities which have been sized appropriately to provide sufficient liquidity in higher price environments. We monitor the utilisation of capital within all areas of the business to ensure that resources are appropriately allocated. The impact on working capital of our trading terms and operations is built into strategic decision making across the group. Customers are actively managed to ensure that the costs of providing working capital is built into commercial assessments	
Magnitude of impact 4 (2022: 4)	Responsibility Chief Financial Officer and Treasury	Magnitude of impact after mitigation 3 (2022: 3)	
Likelihood of occurrence 4 (2022: 4)		Likelihood of occurrence after mitigation 3 (2022: 3)	

Strategic report (continued)

Principal risks and uncertainties

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 our business.</p> <p>Without mitigating action, the nature of our business creates significant currency exposure, particularly as we expand further into new markets and operations, and this has increased in recent years.</p>		Mitigating action <p>Multi-currency flows are managed through contract structures and hedging strategies. Currency exposure is identified at the point a contract is entered into and where possible hedged using forward contracts. Our treasury department monitors currency positions intra-day and 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 in currency volatility.</p>
Magnitude of impact	Responsibility	Magnitude of impact after mitigation
4.5 (2022: 4.5)	Chief Financial Officer and Treasury	2 (2022: 2)
Likelihood of occurrence		Likelihood of occurrence after mitigation
5 (2022: 5)		2.5 (2022: 2.5)

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.</p> <p>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>		Mitigating action <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, a record of supplier/customer entertainment and regular ethics/ABC training sessions. Staff across the business undertake annual training to ensure awareness.</p> <p>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. We also require our suppliers and other business partners to comply with applicable laws and expect them to follow equivalent ethical business standards as stated in our <i>Business conduct and ethics principles for business partners</i>, including a zero-tolerance approach to bribery and corruption.</p> <p>The Group has established a "Whistleblowers helpline" to allow staff to report concerns anonymously and we have rolled out a process of agreement to a code of conduct by all non-driver staff.</p>
Magnitude of impact	Responsibility	Magnitude of impact after mitigation
2 (2022: 2)	Board, Executive Directors and the Ethics Committee	2 (2022: 2)
Likelihood of occurrence		Likelihood of occurrence after mitigation
3 (2022: 3)		2 (2022: 2)

Strategic report (continued)

Principal risks and uncertainties

<p>Commodity price volatility</p> <p>Fluctuations in commodity prices can result in a difference between purchase and sales prices.</p> <p>In addition, commodity price fluctuations can impact on various input costs, particularly in the Group's biodiesel production process.</p> <p>Unless managed, these fluctuations could significantly impact gross margins across the business</p>		<p>Mitigating action</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 because of COVID-19 and most recently in 2022 following the introduction of sanctions against have caused more intense price fluctuations in the oil and product markets. Our controls to mitigate the effect of volatility allows us to minimise its impact on the business.</p> <p>For input costs, where possible flexibility on fuel sources is maintained and fixed term utility costs to allow appropriate management of site running costs.</p>	
Magnitude of impact	<p>Responsibility</p> <p>Executive Directors and the Risk Committee</p>	Magnitude of impact after mitigation	
4.5 (2022: 4.5)		1 (2022: 1)	
Likelihood of occurrence		Likelihood of occurrence after mitigation	
5 (2022: 5)		4 (2022: 4)	

Strategic report (continued)

Principal risks and uncertainties

Interruption of fuel supply to customers An event which significantly interrupts the supply of fuel to our customers has potential to cause reputational, commercial and financial damage. Supply disruption could be market-wide or site-specific: <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. - Events that significantly disrupt the normal demand for fuel (e.g. fuel crisis in 2021) where disruption to competitors create a panic situation affecting our ability to meet demand - Protest action that affects operations, such as seen in 2022 by protests at terminals around the UK. 		Mitigating action 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. Our access to storage allows us to effectively manage product availability and ensure supply resilience for customers. 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 supply to ensure security of supply. 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.
Magnitude of impact	Responsibility Executive Directors and the Senior Management Team	Magnitude of impact after mitigation
3 (2022: 3)		1 (2022: 1)
Likelihood of occurrence		Likelihood of occurrence after mitigation
3 (2022: 3)		2 (2022: 2)

Product quality issues The supply of fuel failing to meet quality standards could lead to significant reputational damage and remediation costs.		Mitigating action 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. Our own internal procedures go above and beyond national standards.
Magnitude of impact	Responsibility Process Integrity Committee	Magnitude of impact after mitigation
3.5 (2022: 3.5)		1.5 (2022: 1.5)
Likelihood of occurrence		Likelihood of occurrence after mitigation
3.5 (2022: 3.5)		1.5 (2022: 1.5)

Strategic report (continued)

Principal risks and uncertainties

<p>Counterparty risk</p> <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 failure to adopt processes to identify and mitigate human rights and modern slavery risks, placing our supply chain at risk, exposing the company to increased risk of litigation as well as compromising our ability to comply with mandated sustainability schemes.</p> <p>The current financial environment has placed pressure on a number of businesses, particularly those with highly leveraged balance sheets. Corporate insolvency rates are increasing, approaching levels not seen since the 2008 financial crisis.</p>	<p>Mitigating action</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 and adopt standards such as the ISCC to ensure that our biofuel supply chain is compliant with the regulations of the UK RTFO scheme. These standards include issues such as human and labour rights, emissions and environmental management practices. 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 can quickly identify counterparts that may be experiencing increased cash flow pressure.</p> <p>As sanctions have been introduced against Russia, we have proactively reviewed our KYC process on both new and existing counterparties to ensure compliance.</p> <p>As new due diligence regulations are introduced in key markets, and expected to cover environment and human rights and modern slavery, our KYC process will be essential to identify these risks within our counterparties.</p>	
<p>Magnitude of impact</p> <p>4 (2022: 4)</p> <p>Likelihood of occurrence</p> <p>4.5 (2022: 4)</p>	<p>Responsibility</p> <p>Risk Committee</p>	<p>Magnitude of impact after mitigation</p> <p>2.5 (2022:2)</p> <p>Likelihood of occurrence after mitigation</p> <p>4 (2022: 3.5)</p>

Strategic report (continued)

Principal risks and uncertainties

Biofuel compliance risk <p>Across our markets, producers and importers of gasoline and diesel have various renewable fuels obligations that must be met either through the creation or purchase of renewable credits.</p> <p>In the UK and Ireland this is regulated by their respective Renewable Transport Fuel Obligations (RTFO), and in Canada, by the Clean Fuels Regulations.</p> <p>To count towards our biofuel supply obligations under different regulations in each region, biofuels must meet independently audited sustainability and carbon requirements.</p>		Mitigating action <p>We own and operate a number of biodiesel production locations. Our manufacturing facilities are certified by the ISCC sustainability and carbon system, making the biodiesel we produce automatically compliant with the UK's RTFO criteria. We work with feedstock 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> <p>We comply with all regulations, in all regions in which we operate.</p>
Magnitude of impact	Responsibility <p>Chief Financial Officer and the Risk Committee</p>	Magnitude of impact after mitigation
4 (2022: 4)		4 (2022: 4)
Likelihood of occurrence		Likelihood of occurrence after mitigation
3 (2022: 3)		2 (2022: 2)

Availability of renewable products <p>The energy transition has been accelerated by availability of new products and legislation changes to meet government targets. In countries where we operate, demand for alternative products such as HVO, hydrogen and higher percentage biodiesel blends is increasing.</p> <p>Increasing demand for renewables is also increasing competition to procure waste feedstock, such as used cooking oil.</p>		Mitigating action <p>Already Europe's largest manufacturer of biodiesel, we work with suppliers and customers to understand their transition strategies and provide reliable supply of renewable fuels.</p> <p>Our previous investments in feedstock sourcing allow us to source feedstock globally for our operational plants, even amidst increasing competition for oils.</p> <p>We are working closely with our customers to understand their transition plans and provide a range of fuel options through the transition – such as high percentage biofuel blends and HVO.</p>
Magnitude of impact	Responsibility <p>Board</p>	Magnitude of impact after mitigation
3 (2022: 3)		3 (2022: 3)
Likelihood of occurrence		Likelihood of occurrence after mitigation
3 (2022: 3)		3.5 (2022: 3.5)

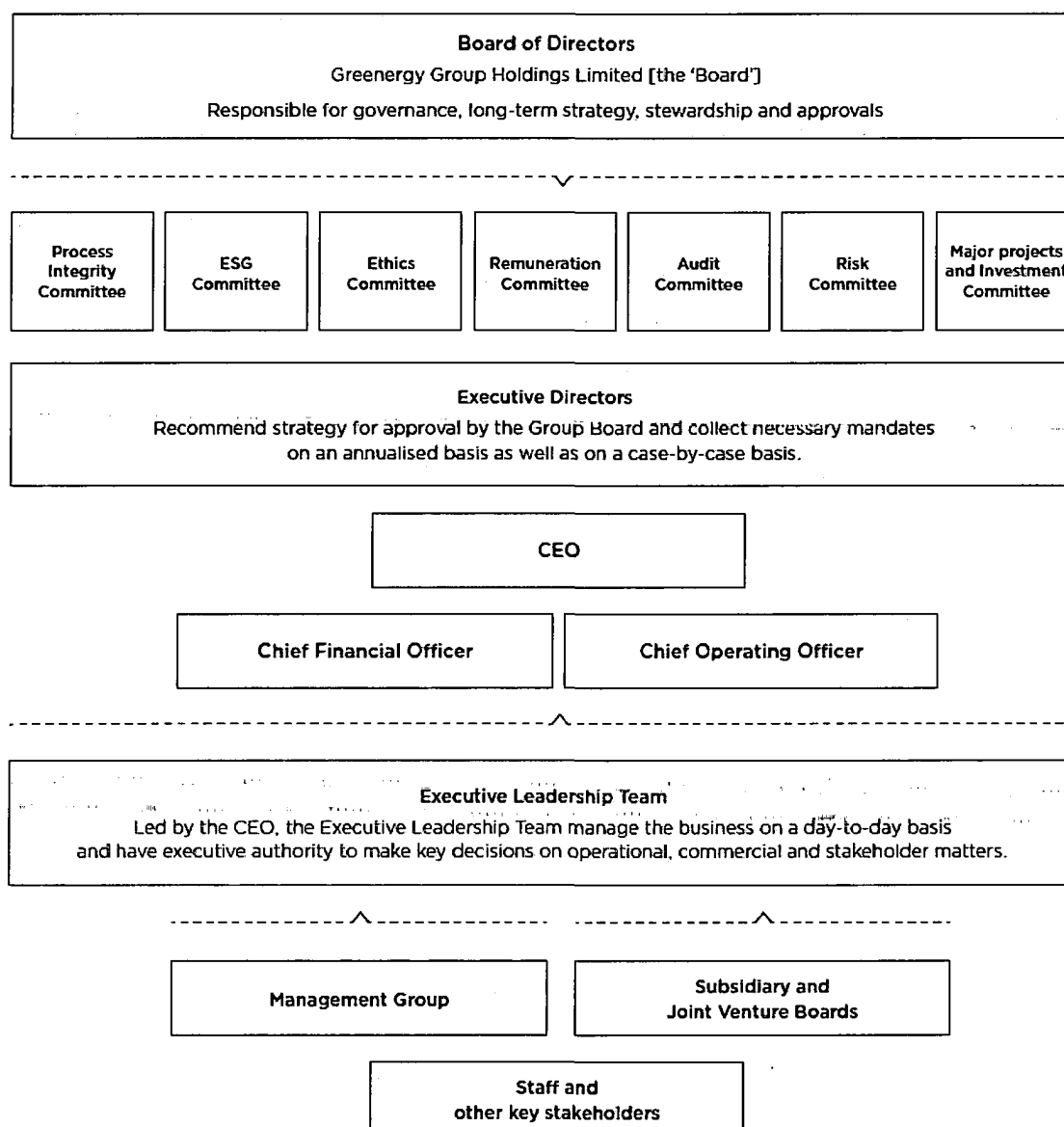
Strategic report (continued)

Corporate Governance report

As a large private company, we are required to disclose our corporate governance arrangements under the Companies (Miscellaneous Reporting) Regulations 2018 to ensure sustainable and responsible governance practices.

All entities in the Greenergy Group operate under the Group Corporate Governance Framework mandated by the Board of Directors (the '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 integral to its governance approach.

Governance framework



Strategic report (continued)

Corporate Governance report (continued)

Principle 1 - Purpose and leadership

The Group's purpose is to drive transport decarbonisation through continued leadership in waste-derived renewables, supported by 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 evolving our supply chain, retaining strong customer relationships, delivering change through innovation, acting responsibly and being accountable.

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, lower emission fuels. This is supported through the Group's purpose and mission that drive our business plan and strategy.

Our purpose and mission is more than just supplying products and services. It is the way we do business, our interactions with our stakeholders, our governance and is underpinned by our values and culture and is integral to ensuring delivery of the Group's strategy and long-term success.

The close relationship between effective governance and effective executive authority and action is vital to ensure the success of the Group. This relationship is managed through the Group's governance framework which ensures the appropriate levels of authority is provided, allowing key decisions on operational, commercial and key stakeholder matters to be made.

Principle 2 - Board composition

The Board comprises three executive directors, the CEO, Chief Financial Officer and Chief Operating Officer and seven non-executive directors, including a non-executive Chairman and three independent directors. 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 size and experience of the Group Board is considered appropriate for the size of the Group, with the directors bringing a wide range of commercial and industry knowledge, ensuring a well-balanced range of views and experience.

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

Principle 3 - Director's 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. All sub-committees are governed by agreed Terms of Reference and include subject matter experts, providing the Board with regular and timely updates on specific topics.

At the beginning of each year, quarterly recurring Group board meetings are scheduled. Two additional strategic board meetings are also 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. Some of the key activities and decisions undertaken by the Board in 2023 are outlined in the 'Section 172(1) Companies Act 2006 Statement' (see s172(1)).

In addition to formal meetings, the Board will regularly hold informal meetings to discuss specific topics. The Board is provided with regular and timely updates on all key aspects of the business including process integrity, financial performance, operational items, market themes, ESG and risks and opportunities impacting the Group.

Strategic report (continued)

Corporate Governance report (continued)

Principle 4 - Opportunities 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 risks we face in our business, and the action we take to mitigate those risks, are formalised in a risk register which is reviewed by the Risk Committee and formally approved by the Board. Refer to p29-39 for the Group's key risks and mitigants.

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 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. 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.

Principle 5 - Remuneration

The role of Greenergy's Remuneration Committee is to determine and oversee the Group's overall remuneration strategy and policy, ensuring its aligned to the successful delivery of the Group's purpose, culture, values and Group wide strategy. It 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.

The Remuneration Committee sets and reviews the strategy and policy in relation to terms and conditions of engagement (including remuneration) of Greenergy's Leadership Team and to determine their specific total remuneration (including payments and awards under annual bonus plans, share incentive schemes, pension schemes and any other compensation arrangements), ensuring that payments awarded are fair and appropriate based on performance.

It also oversees any major changes in employee benefit structures of the Group and establishes the overall parameters for annual salary reviews and bonus plans of the Group's employees, making recommendations to the Board for approval.

The Remuneration Committee supports Greenergy's ambition to be and remain a preferred employer, attracting, motivating and retaining talent at all levels as well as succession planning by developing and promoting where possible from within.

The Committee is responsible for the development of the remuneration policy which ultimately is approved by the Board.

Principle 6 - 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. 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 **Error! Bookmark not defined.** to 45.

Strategic report (continued)

Section 172(1)¹² - Companies Act 2006 Statement

The Board recognises that it can only deliver on our mission and create long-term success for all of our members if we actively engage, consider and respect our various stakeholders. How we engage with them is considered crucial by the Board, and this is applied at all levels of the organisation supported by the Leadership Team.

Each Director and the Board as a whole are aware of their duty to act in a way which would most likely promote the success of the company for the benefit of its members as a whole.

Our stakeholders

This section summarises our key stakeholders, our priorities and how we engage with them.

Key stakeholder: Our people

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 purpose and mission.

Our priorities

- 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 employee growth
- Developing the skills and talents of our people
- Supporting the mental and physical health of our people

Engagement activities

- Safety underpins all that we do. Lessons Learned and safety data are shared with employees across the entire business
- Colleagues are kept informed of performance and strategy through Staff Reviews and Quarterly Meetings. All executives regularly engage with our colleagues around the business
- Our Intranet and news app provides regular updates to keep our people informed
- 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.

Key stakeholder: Shareholders

Our shareholders support the growth of our business to achieve our long-term growth objectives.

Our priorities

- Demonstrate sound financial and operational performance, in line with the Group strategy.

Engagement activities

- Attendance at board meetings
- Regular communications such as financial updates, investment plans and capital allocation.

¹² In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 's172(1) statement'. Pages 45 to 54 are our section 172(1).

Strategic report (continued)

Section 172(1)¹³ - Companies Act 2006 Statement (continued)

Key stakeholder: Customers & 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 to meet the needs of our customers and consumers.

Our priorities

- Build supply chain optionality through our relationship with our suppliers
- Develop long-term relationships with customers and suppliers who support our strategic growth objectives.

Engagement activities

- By demonstrating our values and living our mission in every interaction we have
- Dedicated and engaged teams, who are available to our customers when they need us 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.

Key stakeholder: Environment

Our business was founded in the 1990s to supply low emission diesel, and our commitment to produce and supply low carbon fuels at scale continues today.

Our priorities

- We recognise the urgent need to further reduce greenhouse gas emissions in the transportation sector
- We continuing to invest in the sector and progress projects to further expand our renewable fuel production and are actively exploring projects to supply lower carbon fuels.

Engagement activities

- 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 where possible giving higher carbon savings
- Involvement in round table discussions and industry consultations on best practice
- Encouraging all employees to play a role in our continual improvement of processes to improve the sustainability of our operations
- Development of our ESG framework and strategy to drive more detailed reporting.

Key stakeholder: Communities

We believe in supporting our communities. Our charity programme and our STEM projects help support our communities.

Our priorities

- Through our Group-wide employee-led 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.

Engagement activities

- While the total charity budget is set by the Board, the allocation of funds is nominated by employees and final approval by the employee-led Charity Committee
- 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
- 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
- In our retail businesses in Ireland, we partner with retailers to support their local communities.

¹³ In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 's172(1) statement'. Pages 45 to 54 are our section 172(1).

Strategic report (continued)

Section 172(1)¹⁴ Companies Act 2006 Statement (continued)

Key stakeholder: Government

As a fuel supplier, we maintain close relationships with Government bodies in the regions we operate.

Our priorities

Develop productive relationships with Government bodies, particularly in the UK where we provide a critical role in the national supply chain.

Engagement activities

- Regular meetings and communications with our Government contacts to provide business updates
- Involvement in roundtable discussions and industry consultations.

Key stakeholder: 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

- Develop long-term relationships with a syndicate of banks and other institutions to support our ongoing business.

Engagement activities

- 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.

¹⁴ In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 's172(1) statement'. Pages 45 to 54 are our section 172(1).

Strategic report (continued)

Section 172(1)¹⁵ - Companies Act 2006 Statement (continued)

Board activities

All entities in the Greenergy Group operate under the Group Corporate Governance Framework mandated by the Board of Directors (the 'Board') of the parent company Greenergy Group Holdings Limited.

During the year, the Board made a number of key decisions. In arriving at these decisions, the Board specifically considered the interests of and the impact on all of its stakeholders. Some examples of these key decisions are outlined below.

Key Decision: Refinance the Group's key banking facilities

The Group relies on key banking facilities for both working capital and senior secured debt to ensure it can continue to operate as a going concern. The Group's existing facilities all fell due in 2023 and as such the Group undertook a detailed process to refinance its key facilities.

Decision process

- A detailed process was undertaken with a selection of new and existing financial institutions to determine the most appropriate capital structure for the Group.
- Following a detailed process, the CFO presented an overview of the proposed facilities including the impact and costs on the business both financially and operationally
- The Board considered the risks and opportunities of restructuring its existing facilities
- The Board considered the current and future capital structure of the Group.

Outcome

- On recommendation of the Group CFO, the Board approved the restructuring and refinance of the Group's banking facilities

Key Decision: Focused campaign to reduce the number of crossovers

- The Group's PI team reported on delivered-in crossovers (when product is delivered into the wrong tank at a customer's site). The Board recognised that the rate of crossovers was increasing.

Decision process

- 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 crossovers
- The Board discussed that the use of the MIDAS system was an effective way to remove human factors from deliveries to customer sites.

Outcome

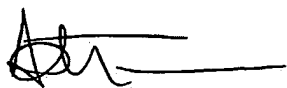
- The Board supported the approach outlined by the PI Committee Chairman including:
- A targeted retraining and awareness program; and
 - The continued rollout of MIDAS systems to another key strategic delivered-in retail customer.

¹⁵ In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 's172(1) statement'. Pages 45 to 54 are our section 172(1).

Strategic report (continued)

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.

Approved for issuance by order of the Board on 26 April 2024 and signed on their behalf:

A handwritten signature in black ink, appearing to be 'A J Traeger', with a long horizontal line extending to the right.

A J Traeger
Director

Directors' report

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2023.

Items covered in the strategic report on pages Error! Bookmark not defined. to Error! Bookmark not defined.

In accordance with s414C(11) of the Companies Act 2006 information relating to 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 £28.1m (31 December 2022: profit of £68.9m). Interim intragroup dividends declared in the year were £84.7m (31 December 2022: £15.7m paid). Of the total intragroup dividends declared, the Directors proposed no final dividend (31 December 2022: £nil).

Going concern

The Directors have concluded that it is reasonable to expect that at the Group level (headed by Greenergy Halo Holding III Limited), including the Company, will continue to have sufficient resources to continue in operation for the going concern period, that being a period of at least 12 months from the date the financial statements are authorised for issue. It is for this reason that these financial statements have therefore been prepared on the going concern basis and the Directors have no material uncertainties to disclose.

Global events in recent years such as the COVID pandemic and Ukraine conflict have had significant impacts on fuel demand as well as financial and commodity markets in which the Group operates. Whilst the Group was able to successfully navigate these events, the Directors have used these events and the knowledge gained from them to carry out extensive sensitivity analysis and assessment of its ability to continue as a going concern.

The primary risk identified by the Directors was in respect of the Group's ability to ensure its working capital facilities provided sufficient liquidity in the event of extreme volatility in commodity prices. The Directors continue to believe this remains the primary risk to going concern and as such steps were taken to address this risk. In April 2023, The Group, which the Company is part of, successfully restructured and refinanced its global financing facilities into various new facilities which are suitable to support the business going forward. These facilities consist of:

- US\$650m committed Receivables Purchase Facility expiring in April 2026; and
- US\$250m – US\$500m committed, volumetric based Inventory Monetisation Facility with facility size flexing depending on commodity prices expiring in April 2026.

Subsequent to the balance sheet date, Trafigura Group Pte. Ltd (Trafigura), entered into a binding agreement to acquire the entire issued share capital of Greenergy Halo Holdings III Limited of which the Company is indirectly a wholly owned subsidiary. The acquisition remains subject to regulatory clearance and as such the Directors have considered two scenarios when assessing the primary risks on the Group's ability to continue as a going concern.

1. Acquisition by Trafigura does not complete

The Group has prepared detailed base forecasts and scenario "stress testing" analysis taking into consideration the principal risks and uncertainties that the Group faces and the resulting impact on key business drivers such as volume demand and key commodity prices. Specific consideration was given to the impacts that upward pressure on oil prices would have on available liquidity. Principal risks not specifically modelled were either deemed not to have an impact within the going concern period or the financial effect sufficiently considered through the downside economic factors already applied. When assessing both the base forecasts, and the downside sensitivities, the Group's liquidity remains strong and financial covenants continue to be in compliance for at least the next 12 months from the approval of the financial statements.

Should the acquisition by Trafigura not complete during the going concern period, the Directors have a reasonable expectation that the Group has sufficient resources with the new package of debt facilities highlighted above to continue in operation for the going concern period, being a period of at least 12 months from the date the financial statements are authorised for issue.

2. Acquisition by Trafigura completes

On the assumption that the acquisition by Trafigura completes during the going concern period, in addition to analysis above, the Directors have also given consideration to the following:

Directors' report (continued)

Going Concern (continued)

- The underlying collateral assets supporting the Group's working capital facilities continue to comprise of primarily highly liquid commoditised inventories and investment grade accounts receivables. The quality of these collateral assets is positively regarded by the Group's existing banks and resulted in an over subscription by the banks when these facilities were established in April 2023.
- Trafigura have strong banking relationships with the majority of the Group's existing core banking group, many of whom have proactively reiterated their commitment to the Group following the announcement of the intended acquisition;
- Whilst it is currently envisaged that some of the existing facilities may be refinanced on completion, the Group has held positive discussions with the existing banking group who have indicated their intention to support the change of control and continue to provide funding to the Group for certain facilities post completion;
- The Directors' have held various discussions with the Trafigura senior management team with respect to future strategy and structure of the Group including approach to financing working capital subsequent to completion. Through these discussions the Directors' have been able to gain comfort that there is not expected to be any changes to the corporate structure and that Trafigura will make available financial support to the Group should the decision be made to refinance any of the Group's existing facilities on completion.

The Directors' recognise that they cannot be certain that funding will be made available post completion and any material changes that Trafigura may impose may impact the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors' have considered the acquirer's access to capital, global banking relationships, financial performance, including liquidity and cash reserves, and their overall investment rationale and have a reasonable expectation that adequate resources will be made available to support the company for a period of at least 12 months from the date of approval of these financial statements.

Post balance sheet events

Post balance sheet events of the Company are detailed in note 28 of the financial statements.

Political and charitable contributions

The Company made no charitable donations during the year (2022: £nil). No political donations or expenditure were incurred during the year (2022: £nil).

Future developments

At a Group level, our strategy is to lead in waste-based renewables, grow our supply chain infrastructure advantage, retail portfolio and expand our route to key markets will enable us to deliver on our purpose and mission. We continue to focus our capital on waste-based renewables and Next Gen fuels to support the energy transition. Strategic bolt-on acquisitions remain a priority for the Group. We are also continuing to progress projects to reduce our own carbon emissions.

Research and development

During the year the Group allocated a portion of its capital expenditure towards investing in Research and Development (R&D) related to primarily to its renewables division. With the Group operating three waste based biodiesel production facilities and exploring lower carbon fuel projects, it invests in R&D to ensure it is best placed to support the business and its customers through the energy transition.

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 4 days (2022: one day).

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 page **Error! Bookmark not defined.**

Engagement with suppliers, customer and others

Details on engagement with suppliers, customers and others presented within the Strategic Report.

Directors' report (continued)

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 **Error! Bookmark not defined.** to **Error! Bookmark not defined.**

Streamlined energy and carbon report

The 'Streamlined energy and carbon report' is presented in the Strategic report on page 27.

Corporate Governance Report

The Corporate Governance Report is presented within the Strategic Report.

Directors

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

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

Greenergy International Limited on behalf of the Company and its subsidiaries 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 Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' report (continued)

Directors' responsibilities statement (continued)

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
- the strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

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.

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



A J Traeger

Director

26 April 2024

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance 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 statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international 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.

Conclusions relating to going concern

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

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

- obtaining an understanding of relevant controls over management's going concern model, including the review of the inputs and assumptions used within the model.
- assessing the adequacy of the financial facilities that are available to the group, including confirming that these remain in place for the next 12 months.
- checking the mathematical accuracy of management's model including agreement to approved budgets and forecasts.
- challenging 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
 - evaluating the historical accuracy of forecasts prepared by management.
 - assessing the sensitivity of the headroom within management's forecasts.
- challenging the impact on the going concern assumption as a result of Trafigura Group Pte. Ltd ("Trafigura") entering into a binding agreement to acquire the entire issued share capital of the Greenergy Halo Holdings III Limited group, for which the company is a 100% owned subsidiary, which occurred post the balance sheet date. This included considering the impact on the future strategy and structure of the company, as well as the access to adequate resources for a period of at least 12 months from the date of approval of these financial statements.
- assessing the sufficiency of the group's disclosure in relation to going concern.

In line with the Directors assessment, we recognise there is no certainty that funding will be made available post completion of a sale to Trafigura and any material changes that Trafigura may impose may impact the company's ability to continue as a going concern. Notwithstanding this uncertainty, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue, which concurs with the assessment of the Directors.

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.

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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 area, and our procedures performed to address it are described below:

- Revenue recognition fraud risk in relation to occurrence of non-rack sales within the UK operations.

In order to respond to the revenue significant risk within the UK operations we performed the following procedures:

- o tested the relevant controls over the revenue recognition for non-rack sales;
- o assessed the applicable contracts or alternative documentation to agree pricing and sale terms with the customer;
- o assessed the contracts to understand the performance obligations present in the contract to evaluate whether revenue has been appropriately recognised in line with IFRS 15;
- o obtained confirmation from the counterparty of the transaction; and

- o performed an assessment of historic trading activities to identify any unusual trends.

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.

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

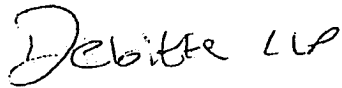
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

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.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Heather Bygrave, FCA
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
26 April 2024

Income Statement

For the year ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Revenue	3	15,860,910	18,909,896
Cost of sales		(15,651,490)	(18,679,444)
Gross profit		209,420	230,452
Distribution costs		(95,283)	(90,668)
Administrative expenses		(45,641)	(45,656)
Other operating income		51	40
Operating profit		68,547	94,169
Finance income	5	36,706	9,797
Finance costs	6	(63,361)	(27,152)
Profit before taxation	4	41,892	76,813
Income tax expense	7	(13,714)	(7,938)
Profit and total comprehensive income for the financial year		28,178	68,875

There were no other items of comprehensive income or expense for the year 31 December 2023 (31 December 2022: 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 61 to 89 are an integral part of these financial statements.

Balance Sheet

As at 31 December 2023

	Note	31 December 2023 £'000	31 December 2022 £'000
Non-current assets			
Intangible assets	8	3,671	5,798
Property, plant and equipment	9	6,289	7,117
Right-of-use assets	11	211,269	223,991
Investments	10	2,912	2,918
Other receivables	13	314,833	254,812
		<u>538,974</u>	<u>494,636</u>
Current assets			
Inventories	12	669,301	905,113
Trade and other receivables	13	878,514	987,277
Derivative financial instruments	23	22,786	17,185
Cash and short-term deposits	14	13,611	19,756
Corporation tax receivable		2,106	4,197
		<u>1,586,318</u>	<u>1,933,528</u>
Total assets		<u><u>2,125,292</u></u>	<u><u>2,428,164</u></u>
Current liabilities			
Trade payables and accrued liabilities	15	(1,403,445)	(1,581,867)
Lease liabilities	22	(39,302)	(36,239)
Interest-bearing loans and borrowings	19	(420,493)	(485,566)
Derivative financial instruments	23	(15,355)	(7,288)
		<u>(1,878,595)</u>	<u>(2,110,960)</u>
Net current liabilities		<u>(293,014)</u>	<u>(177,432)</u>
Non-current liabilities			
Deferred income tax liabilities	16	(1,837)	(1,906)
Provisions	20	-	(49)
Lease liabilities	22	(181,992)	(195,874)
		<u>(183,829)</u>	<u>(197,829)</u>
Total liabilities		<u><u>(2,062,424)</u></u>	<u><u>(2,308,789)</u></u>
Net assets		<u><u>62,868</u></u>	<u><u>119,375</u></u>
Equity			
Issued capital	17	1,333	1,333
Share premium		1,715	1,715
Retained earnings		59,820	116,327
Total equity		<u><u>62,868</u></u>	<u><u>119,375</u></u>

The notes on pages 61 to 89 are an integral part of these financial statements. The financial statements were approved by the board of Directors on 26 April 2024 and were signed on its behalf by:



A J Traeger
Director

Statement of changes in equity
For the year ended 31 December 2023

	Note	Issued capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2022		1,333	1,715	63,191	66,239
Comprehensive income					
Profit for the financial year		-	-	68,875	68,875
Total comprehensive income		-	-	68,875	68,875
Transactions with owners					
Dividend paid	21	-	-	(15,739)	(15,739)
Total transactions with owners		-	-	(15,739)	(15,739)
Balance at 31 December 2022		1,333	1,715	116,327	119,375
Comprehensive income					
Profit for the financial year		-	-	28,178	28,178
Total comprehensive income		-	-	28,178	28,178
Transactions with owners					
Dividend paid	21	-	-	(84,685)	(84,685)
Total transactions with owners		-	-	(84,685)	(84,685)
Balance at 31 December 2023		1,333	1,715	59,820	62,868

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 61 to 89 are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2023

		Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Net cash generated from operating activities	18	219,292	58,775
Investing activities			
Acquisition of subsidiaries, net of cash acquired		-	(2,603)
Purchases of intangibles assets	8	(1,912)	(2,091)
Net cash used in investing activities		(1,912)	(4,694)
Financing activities			
Repayment of borrowings	19	(97,011)	(23,403)
Proceeds from borrowings	19	35,094	-
Transaction costs related to loans and borrowings		(3,235)	-
Finance income	5	6,462	9,797
Finance costs	6	(27,523)	(17,290)
Repayment of lease liabilities – principal	22	(45,734)	(47,863)
Dividends paid		(84,685)	-
Net cash used in from financing activities		(216,632)	(78,759)
Increase/(decrease) in cash and cash equivalents		748	(24,678)
Foreign exchange differences		(6,893)	1,904
Cash and cash equivalents at the beginning of the year		19,756	42,530
Cash and cash equivalents at the end of the year		13,611	(19,756)

The notes on pages 61 to 89 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of business and material accounting policies

General business description

Greenery 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 Greenery Fuels Holdings Limited, a Company incorporated in the United Kingdom. The registered address of Greenery 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:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 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;

Going concern

The Directors have concluded that it is reasonable to expect that at the Group level (headed by Greenery Halo Holding III Limited), including the Company, will continue to have sufficient resources to continue in operation for the going concern period, that being a period of at least 12 months from the date the financial statements are authorised for issue. It is for this reason that these financial statements have therefore been prepared on the going concern basis and the Directors have no material uncertainties to disclose.

Global events in recent years such as the COVID pandemic and Ukraine conflict have had significant impacts on fuel demand as well as financial and commodity markets in which the Group operates. Whilst the Group was able to successfully navigate these events, the Directors have used these events and the knowledge gained from them to carry out extensive sensitivity analysis and assessment of its ability to continue as a going concern.

The primary risk identified by the Directors was in respect of the Group's ability to ensure its working capital facilities provided sufficient liquidity in the event of extreme volatility in commodity prices. The Directors continue to believe this remains the primary risk to going concern and as such steps were taken to address this risk. In April 2023, The Group, which the Company is part of, successfully restructured and refinanced its global financing facilities into various new facilities which are suitable to support the business going forward. These facilities consist of:

- US\$650m committed Receivables Purchase Facility expiring in April 2026; and
- US\$250m – US\$500m committed, volumetric based Inventory Monetisation Facility with facility size flexing depending on commodity prices expiring in April 2026.

Notes to the financial statements (continued)

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

Going concern (continued)

Subsequent to the balance sheet date, Trafigura Group Pte. Ltd (Trafigura) entered into a binding agreement to acquire the entire issued share capital of Greenergy Halo Holdings III Limited of which the Company is indirectly a wholly owned subsidiary. The acquisition remains subject to regulatory clearance and as such the Directors have considered two scenarios when assessing the primary risks on the Group's ability to continue as a going concern.

1. Acquisition by Trafigura does not complete

The Group has prepared detailed base forecasts and scenario "stress testing" analysis taking into consideration the principal risks and uncertainties that the Group faces and the resulting impact on key business drivers such as volume demand and key commodity prices. Specific consideration was given to the impacts that upward pressure on oil prices would have on available liquidity. Principal risks not specifically modelled were either deemed not to have an impact within the going concern period or the financial effect sufficiently considered through the downside economic factors already applied. When assessing both the base forecasts, and the downside sensitivities, the Group's liquidity remains strong and financial covenants continue to be in compliance for at least the next 12 months from the approval of the financial statements.

Should the acquisition by Trafigura not complete during the going concern period, the Directors have a reasonable expectation that the Group has sufficient resources with the new package of debt facilities highlighted above to continue in operation for the going concern period, being a period of at least 12 months from the date the financial statements are authorised for issue.

2. Acquisition by Trafigura completes

On the assumption that the acquisition by Trafigura completes during the going concern period, in addition to analysis above, the Directors have also given consideration to the following:

- The underlying collateral assets supporting the Group's working capital facilities continue to comprise of primarily highly liquid commoditised inventories and investment grade accounts receivables. The quality of these collateral assets is positively regarded by the Group's existing banks and resulted in an over subscription by the banks when these facilities were established in April 2023.
- Trafigura have strong banking relationships with the majority of the Group's existing core banking group, many of whom have proactively reiterated their commitment to the Group following the announcement of the intended acquisition;
- Whilst it is currently envisaged that some of the existing facilities may be refinanced on completion, the Group has held positive discussions with the existing banking group who have indicated their intention to support the change of control and continue to provide funding to the Group for certain facilities post completion;
- The Directors' have held various discussions with the Trafigura senior management team with respect to future strategy and structure of the Group including approach to financing working capital subsequent to completion. Through these discussions the Directors' have been able to gain comfort that there is not expected to be any changes to the corporate structure and that Trafigura will make available financial support to the Group should the decision be made to refinance any of the Group's existing facilities on completion.

The Directors' recognise that they cannot be certain that funding will be made available post completion and any material changes that Trafigura may impose may impact the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors' have considered the acquirer's access to capital, global banking relationships, financial performance, including liquidity and cash reserves, and their overall investment rationale and have a reasonable expectation that adequate resources will be made available to support the company for a period of at least 12 months from the date of approval of these financial statements.

Notes to the financial statements (continued)

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

Foreign currency

a) Functional and presentation currency

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

b) Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency's spot rate at the date the transaction first qualifies for recognition. 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. Non-monetary assets and liabilities that are measured at historical cost and denominated in a foreign currency are translated into the functional currency using the rates of exchange as at the dates of the initial transactions and are not retranslated.

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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of those respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the financial statements (continued)

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

Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The useful lives of Company's intangible assets are as follows:

Branding rights	1 to 10 years
Software	1 to 10 years

Branding rights

Expenditure in relation to branding rights which meets the recognition criteria set out in IAS 38 'Intangible Assets' has been capitalised and amortised over the life of the branded wholesale agreement.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The amortisation of intangibles has been recognised within administrative expenses in the consolidated income statement.

Investments in subsidiaries and associates

Investments in subsidiary companies 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.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Notes to the financial statements (continued)

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

Financial assets

(a) Classification

Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income or amortised cost. The Company determines the classification of its financial assets upon initial recognition.

(b) Measurement

The initial and subsequent measurement of financial assets held by the Group depends on their classification as follows:

Financial assets at fair value through profit or loss (FVTPL)

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.

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. Such financial assets are held at amortised cost using the effective interest rate method under a collect model.

(c) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVOCI, lease receivables and 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 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. Trade receivables overdue by 90 days or more are provided for in full at the reporting date.

For all other financial instruments, the Company recognises lifetime 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.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Notes to the financial statements (continued)

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

Financial liabilities

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. (The Inventory Monetisation Facilities and the Receivables Purchase Arrangements are measured at amortised cost using the effective interest rate method. Refer note 2 for further detail on the critical accounting judgements for these facilities).

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.

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 prices or margins. As a result, stocks of fuel products are carried at 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, on a first in first out basis. Duty paid on stock and tank heels are valued at cost.

Land held for development and resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

As detailed in note 2 in relation to critical accounting judgements on recognition of inventory, the Company records inventories owned by the inventory monetisation facility provider Goldman Sachs as part of the total inventories balance recorded on the Company's balance sheet. Inventories sold to the Provider under this arrangement are recorded at fair value, determined by the agreed ending price for repurchase from Provider less periodic hedge roll costs recharged from the provider to the Company.

Notes to the financial statements (continued)

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

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 the following year 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.

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.

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

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.

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.

Notes to the financial statements (continued)

1. Summary of business and material 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 the country where the Company operates and generate taxable income.

(b) Deferred taxes

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Pension costs

Contributions are made to the personal plans of all applicable employees. The expenditure is charged to the income statement in the period to which it relates.

Notes to the financial statements (continued)

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

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements, and accounts for them accordingly. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

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.

Fees and related costs are recognized at a point in time when road fuels operation services are provided.

Revenues from the sale of goods in the Company's road fuels operation represent sales of fuel products inclusive of RTFO certificates, excluding value added taxes but including excise duty, which has been assessed to be a production tax and recorded as part of consideration received. RTFO certificates are deemed part of the transaction price as the RTFO is not collected on behalf of another entity.

When the RTFO is settled via non-cash consideration, then the fair value of the non-cash consideration is included in the transaction price at the measurement date, of which is deemed to be the same as the cash portion ie, when the consideration for the sale of fuel products, of which the RTFO is attached to. This is the fair value of the RTFO certificate at that point in time, unless it is higher than the 'buy-out' of the obligation, of which the price is set by the Department of Transport, in which case that becomes the fair value of consideration receivable.

Revenues are recognized at the point that title passes to 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.

Revenue in note 3 is disclosed as only sale of fuel products as the other sources noted above are considered to be immaterial.

Dividend distribution

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

Notes to the financial statements (continued)

1. Summary of business and material 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 which are recognised as expense on a straight-line basis over the lease term. 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 material accounting policies (continued)

Fair value measurement

The Company measures financial instruments such as derivatives, and non-financial assets and liabilities at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above

Notes to the financial statements (continued)

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

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

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules;
- and Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Furthermore, the Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions. Detailed disclosures are made in Note 8.

Notes to the financial statements (continued)

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

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

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

2. 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 the Company enters into a significant number of non-standard revenue transactions each year. 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:

1. 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. Revenue recognised in 2023 was £235.4m, (31 December 2022: £337.6m).

Notes to the financial statements (continued)

2. Critical judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Inventory Monetisation Facilities

In April 2023, the Group entered into an Inventory Monetisation Agreement with Goldman Sachs International an initial term of three years. Under this arrangement, the Group sold certain inventory to Goldman Sachs International and agreed to buy-back equivalent inventory at the end of the term at a price determined by the contractually agreed end date pricing methodology. During the term, and subject to certain covenants and rights of Goldman Sachs International, the Group have autonomy to purchase and sell these inventories to its customers and the ability to substitute used inventory with equivalent inventory. For the duration of the facilities, the Group is to be charged various fees by Goldman Sachs in return for the provision of the facility. The arrangement is supported by a cash collateral mechanism. The total amount outstanding at December 31, 2023 £172.9m (2022: nil). The Inventory Monetisation Facility is stated net of capitalised arrangement fees of £4.3m (2022: nil).

Management performed a detailed review of the IMF arrangement on inception, encompassing both legal and substantive aspects. Under the terms of the agreement, the legal title to the inventory is owned by Goldman Sachs International. Considering the substantive aspects, Management concluded that there has been no transfer of control over the inventory and the initial legal sale and the ongoing purchases and sales of inventory does not result in the de-recognition of the inventory in the books of the Group and hence the revenues do not include revenue from sale of product inventory to Goldman Sachs International. Refer to note 1 for more detail on the accounting policy for these inventories.

Consequently, the inventory as on the reporting date is recognised on the Group's balance sheet with a corresponding liability recognised for the amounts received from Goldman Sachs International. This financial liability is recognised at fair value at inception and subsequently measured at amortised cost using the effective interest method.

Receivables Purchase Arrangements

The Group entered into Receivables Purchase Arrangements (the "RPAs") with ABN Amro Bank N.V in April and May 2023 respectively, for an initial term of two years. The total amount outstanding at 31 December 2023 was £247.3m (2022: £nil).

Management performed a detailed assessment of the arrangements in line with the provisions of IFRS 9 and has concluded that the contractual rights to receive the cash flows of the receivables have been transferred, however, the Group has retained substantially all of the risks and rewards associated with the assets as its exposure to the variability in the amounts and timing of the net cash flows of the transferred asset has not changed substantially therefore the trade receivables do not meet the criteria for de-recognition under IFRS 9 and should continue to be recorded on the Group's balance sheet.

Consequently, the trade receivables as on the reporting date are recognised on the Group's balance sheet with a corresponding liability recognised for the amounts drawn down under the RPAs. This financial liability is recognised at fair value at inception and subsequently measured at amortised cost using the effective interest method.

Key sources of estimation uncertainty

No key sources of estimation uncertainty were identified.

Notes to the financial statements (continued)

3. Revenue

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

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Sale of fuel products	15,860,910	18,909,896

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.

Revenue generated in the year ended 31 December 2023 is disclosed as only attributable to Europe, as revenue generated attributable to other locations is considered to be immaterial.

4. Profit before taxation

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

		Year ended 31 December 2023	Year ended 31 December 2022
	Note	£'000	£'000
Depreciation property, plant and equipment	9	911	1,173
Amortisation of intangible assets	8	3,713	4,322
Depreciation on right-of-use assets	11	40,813	40,222
Gain/ (loss) on disposal of intangible assets		7	(61)
Fair value gain on financial instruments		13,667	(24,967)
Net foreign exchange loss		7,392	30,494
Cost of inventory recognised as an expense	12	15,287,273	18,021,074

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 2023	Year ended 31 December 2022
	£'000	£'000
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts	1,020	910
- Other audit related services	568	485
Total audit fees	1,588	1,395

Auditor's remuneration has been recharged to subsidiaries from Greenergy International Limited on a proportionate basis. There were no non-audit fees incurred during the year (2022: none).

Notes to the financial statements (continued)

5. Finance income

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Bank interest receivable	327	181
Interest receivable from group companies	36,379	9,616
	36,706	9,797

6. Finance costs

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Interest payable in servicing of:		
Working capital facilities and bank overdrafts	44,394	20,434
Lease liabilities	6,635	6,718
Interest payable to group companies	12,332	-
	63,361	27,152

In prior year, interest payable/receivable in respect of group companies was not reported under the working capital facilities cost due to not being material.

7. Income tax expense

Analysis of charge in the year:

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Current tax		
Current tax on income for the year	1,268	2,528
Group relief payable	9,549	9,851
Adjustments in respect of prior years	(3,206)	(4,900)
Total current tax charge	7,611	7,479
Overseas tax		
Overseas tax on income for the year	1,348	578
Adjustments in respect of prior years	6,092	663
Double taxation relief	(1,268)	(439)
	6,172	802
Deferred tax		
Origination and reversal of timing differences (note 16)	(97)	(290)
Adjustments in respect of prior years (note 16)	28	(53)
Total deferred tax charge	(69)	(343)
Tax charge on profit on ordinary activities	13,714	7,938

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 higher (31 December 2022: lower) than the standard rate of corporation tax in the UK of 23.52% (31 December 2022: 19%). The differences are explained below:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Profit before tax	41,892	76,813
At tax rate of 23.52% (2022: 19%)	9,853	14,594
Effects of:		
Expenses not deductible for tax	-	121
Income not taxable	(173)	-
Fixed asset differences	31	2
Remeasurement of deferred tax for changes in tax rates	(6)	(70)
Corporate Interest Restriction disallowance / (reactivation)	1,376	(1,330)
Foreign tax credits	80	139
Effects of group relief not paid for	(361)	(1,228)
Adjustment in respect of prior periods	2,914	(4,290)
Total tax charge for the year	13,714	7,938

Factors that may affect future tax charges

Spring Finance Bill 2023 confirmed that the main rate of Corporation Tax increased to 25% from April 2023. Therefore deferred tax balances continue to be calculated at the rate of 25%.

8. Intangible assets

	Branding rights £'000	Software £'000	Total £'000
Cost			
At 1 January 2023	23,169	22,359	45,528
Additions	1,662	-	1,662
Disposals	(23)	-	(23)
At 31 December 2023	24,808	22,359	47,167
Accumulated depreciation			
At 1 January 2023	(21,172)	(18,558)	(39,730)
Charge for the year	(1,881)	(1,832)	(3,713)
Disposals	13	-	13
Foreign exchange movements	-	(66)	(66)
At 31 December 2023	(23,040)	(20,456)	(43,496)
Net book value at 31 December 2023	1,768	1,903	3,671
Net book value at 31 December 2022	1,997	3,801	5,798

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.

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 1 January 2023	26,324	3,381	-	29,705
Additions	-	-	83	83
At 31 December 2023	26,324	3,381	83	29,788
Accumulated depreciation				
At 1 January 2023	(19,213)	(3,375)	-	(22,588)
Charge for the year	(905)	(6)	-	(911)
At 31 December 2023	(20,118)	(3,381)	-	(23,499)
Net book value at 31 December 2023	6,206	-	83	6,289
Net book value at 31 December 2022	7,111	6	-	7,117

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

Property, plant and equipment with a carrying amount of £6.3m have been pledged to secure borrowings of the group (see note 25). The group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

10. Investments

Direct subsidiary undertakings

	£'000
At 1 January 2023	2,918
Foreign exchange	(6)
At 31 December 2023	2,912

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

Name	Country of incorporation	Share class	Holding	Address	Principal activity
Greenergy Brazil Trading SA	Brazil	Ordinary	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	Ordinary	100%	C/ Velázquez, nº 64, 4º izq, Madrid, Spain	Holding company

As at 31 December 2023, the Company had no interests in joint arrangements.

Notes to the financial statements (continued)

11. Right-of-use assets

	Plant and Machinery £'000	Total £'000
Cost		
At 1 January 2022	343,578	343,578
Additions	21,518	21,518
Disposals	(8,700)	(8,700)
Foreign exchange	(1,091)	(1,091)
At 31 December 2022	355,305	355,305
Additions	29,973	29,973
Disposals	(7,953)	(7,953)
Foreign exchange	(2,070)	(2,070)
At 31 December 2023	375,255	375,255
Accumulated depreciation		
At 1 January 2022	(99,247)	(99,247)
Charge for the year	(40,222)	(40,222)
Disposals	8,700	8,700
Foreign exchange	(545)	(545)
At 31 December 2022	(131,314)	(131,314)
Charge for the year	(40,813)	(40,813)
Disposals	7,953	7,953
Foreign exchange	188	188
At 31 December 2023	(163,986)	(163,986)
Carrying amount at 31 December 2023	211,269	211,269
Carrying amount at 31 December 2022	223,991	223,991

The average lease term is 6 years (2022: 6). The maturity analysis of lease liabilities is presented in note 22.

	31 December 2023 £'000	31 December 2022 £'000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	40,813	40,222
Interest expense on lease liabilities	6,635	6,718
Expense relating to short-term leases	4,092	462
Expense relating to leases of low value assets	-	204

Total cash outflows for leases were £45.7m (2022: £47.9m). Future cash outflows in respect of leases may differ from lease liabilities recognised due to future decisions that may be taken by the Group in respect of the use of leased assets. The Group may reconsider whether it will exercise extension options or termination options, where future reconsideration is not reflected in the lease liabilities.

In addition, many of the Group's leases are repriced regularly with inflation related clauses. There is no exposure to these potential additional payments in excess of the recognised lease liabilities until these decisions have been taken by the Group. The future cash outflows, which are not included in lease liabilities on the balance sheet, including those relating to extension and termination options which are not reasonably expected to be exercised are estimated at £nil (2022 – £nil). There are no leases that are not yet commenced to which the Group are committed to.

Notes to the financial statements (continued)

12. Inventories

	31 December 2023	31 December 2022
	£'000	£'000
Stocks held at cost	22,636	33,805
Fuel products	184,786	571,967
Inventories held by finance providers	212,697	-
Compliance certificates – own use	249,182	299,341
	669,301	905,113

During the year £15,287m of raw materials was expensed through cost of sales (31 December 2022: £18,021.1m).

As at 31 December 2023, inventories with a carrying value of £212.7m are held by Goldman Sachs International Limited, under their title as per the terms of the Inventory Monetisation Facility. Refer to note 2 for further details on the facility.

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 £456.6m were pledged as security for certain of the Company's borrowings at the balance sheet date (31 December 2022: £905.1m). 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.

For RTFO certificates held for trading, there is an externally quoted marketplace for RTFO certificates, of which the average between bid and ask price is relied upon to determine the fair value of the RTFO certificate held for trading.

13. Trade and other receivables

	31 December 2023	31 December 2022
	£'000	£'000
Current		
Trade receivables	641,956	732,589
Less: Provision for impairment of receivables	(1,186)	(2,471)
	640,770	730,118
Amounts owed by other related parties	187,392	172,663
Other receivables	13,104	26,900
Prepayments	7,598	8,302
Accrued income	29,650	49,294
	878,514	987,277
Non-current		
Amounts owed by parent company	286,378	241,620
Amounts owed by related parties	28,455	13,192
	314,833	254,812

As at 31 December 2023, trade receivables with carrying value of £338.3m are held by ABN Commercial Finance under the terms of the Receivables Purchase Arrangements. Refer to note 2 for further detail on the arrangements.

Notes to the financial statements (continued)

13. Trade and other receivables (continued)

Amounts owed by other related parties 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 SONIA plus 4%.

Amounts owed by parent company and other Group companies which are used to meet the capital requirements of the borrower have been classified 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.

A provision of £1.2m (31 December 2022: £2.5m) has been made against trade receivables. The debit during the year in relation to the movement in the bad debt provision was £1.3m (2022: credit of £0.1m).

Reconciliation of loss allowance

	£'000
At 1 January 2023	2,471
Recovery of receivables provided for	(1,285)
Increase in provision for impairment of receivables	-
At 31 December 2023	1,186

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 2023, the Company had 2 customers (2022: 2) whose credit limit is greater than 10% of the Company's gross monetary assets at year end. These customers make up 15% (2022: 21%) of the Group'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)

13. Trade and other 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 2023			
Expected credit loss rate		0%	100%
Estimated total gross carrying amount at default	641,956	640,770	1,186
Expected credit loss	-1,186	-	-1,186
At 31 December 2022			
Expected credit loss rate		0%	100%
Estimated total gross carrying amount at default	732,589	730,118	2,471
Expected credit loss	(2,471)	-	(2,471)

14. Cash and short-term deposits

Cash and short-term deposits include the following:

	31 December 2023 £'000	31 December 2022 £'000
Cash at bank and in hand	13,611	19,756
Cash and short-term deposits	13,611	19,756

15. Trade payables and accrued liabilities

	31 December 2023 £'000	31 December 2022 £'000
Trade payables	153,901	88,165
Amounts owed to other Group companies	162,749	100,010
Fuel compliance obligation	346,170	465,818
Other taxes and social security	482,301	588,571
Accrued expenses	253,490	328,920
Deferred income	4,834	10,383
	1,403,445	1,581,867

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 SONIA plus 4%.

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.

Notes to the financial statements (continued)

16. Deferred income tax

The elements on deferred taxation is as follows:

	31 December 2023	31 December 2022
	£'000	£'000
Accelerated capital allowances	(1,714)	(1,721)
Intangible fixed assets	(123)	(185)
Net deferred income tax liability	(1,837)	(1,906)

The movement on deferred taxation is as follows:

	Accelerated capital allowances	Intangible fixed assets	Total
At the beginning of the year	(1,721)	(185)	(1,906)
Adjustment in respect of prior years	9	(37)	(28)
Current year income statement charge	(2)	99	97
At the end of the year	(1,714)	(123)	(1,837)

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.

17. Issued capital

	31 December 2023	31 December 2022
	£'000	£'000
Allotted, called up and fully paid		
1,333,334 (2022: 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)

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

Net cash provided by operating activities		31 December 2023 £'000	31 December 2022 £'000
Profit before taxation		41,892	76,813
Adjustments for:			
Depreciation of property, plant and equipment	9	911	1,173
Amortisation of intangibles	8	3,713	4,322
Right-of-use asset depreciation	11	40,813	40,222
Gain on disposal of property, plant and equipment		7	(61)
Foreign exchange loss on operating activities		6,500	(1,401)
Net movement on derivatives		1,933	(9,838)
Repayment of lease liabilities - interest		-	-
Net finance costs	4,5	26,655	17,355
Operating cash flows before movements in working capital		122,424	128,585
(Increase)/ decrease in inventory		234,647	(111,037)
(Increase)/ decrease in receivables		53,826	(100,145)
Increase/ (decrease) in payables		(187,781)	142,270
Cash generated from operations		223,116	59,673
Income taxes paid		(3,824)	(898)
Net cash generated from operating activities		219,292	58,775

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 2023 £'000	Financing cash flows £'000	Lease additions £'000	Interest capitalised £'000	Non-cash move- ments £'000	At 31 December 2023 £'000
Bank overdrafts (note 18)	485,566	(65,051)	-	-	(22)	420,493
Lease liabilities (note 22)	232,113	(45,734)	29,973	6,635	(1,693)	221,294
	717,679	(110,785)	29,973	6,635	(1,715)	641,787

There were no changes in financing cash flows from losing subsidiaries or other businesses or changes in the fair value of the liabilities. Other non-cash movement of bank loans and overdrafts include re-financing transactions and movements of Inventory Monetisation Facility within the year where there were no cash flow impact to the Company.

Notes to the financial statements (continued)

19. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings - current

	Interest Rate	Maturity	31 December 2023			31 December 2022		
			Facility '000	Current £'000	Non-current £'000	Facility '000	Current £'000	Non-current £'000
Bank overdrafts	Note (i)	-	N/a	301	-	N/a	90	-
Working capital facilities								
Syndicated facility - committed	SONIA / SOFR / ESTR + 1.95%	-	-	-	-	\$ 703,300	485,476	-
Syndicated facility - uncommitted	SONIA / SOFR / ESTR + 1.75%	-	-	-	-	\$ 382,800	-	-
Trade facility - uncommitted	SONIA / SOFR / ESTR + 1.75%	-	-	-	-	\$ 35,000	-	-
Inventory monetisation facilities - committed	SOFR + 5.00%	2026	\$ 316,901	172,918	-	\$ -	-	-
Receivables purchase arrangements - committed	SOFR + 3.00%	2025	\$ 650,000	247,274	-	\$ -	-	-
				420,493	-		485,566	-

All related covenants were satisfied during 2023.

The other principal features of the Group's borrowings are as follows:

- Bank overdrafts are repayable on demand and bear interest at a spread above the base rate in the respective jurisdiction of borrowing.
- In April 2023, the Group successfully restructured and refinanced its global financing facilities. The outgoing facilities consisted of the UK syndicated facilities, the UK trading facility, the Candian revolving credit facility and the BCP IV SS Limited term loan. The new facilities arranged in the year consisted of the Inventory Monetisation facilities, the Receivables Purchase facilities, the UK senior term facility and the UK revolving credit facility.
- Further detail on the Inventory Monetisation facilities can be found in note 2 critical accounting judgements.
- Further detail on the Receivables Purchase facilities can be found in note 2 critical accounting judgements.

Notes to the financial statements (continued)

20. Provisions

	Provision for legal claims £'000	Total £'000
As at 1 January 2023	49	49
Utilised during the year	(49)	(49)
At 31 December 2023	-	-

The legal provision relates to a claim incurred in previous financial period by the Greenergy Group. £49,000 has been paid during the year ended 31 December 2023 in settlements on this claim.

21. Dividend paid

Intragroup dividends declared and paid in the year were £84.7m or £63.51 per share (31 December 2022: £15.7m or £11.80 per share).

22. Lease liabilities

	31 December 2023 £'000	31 December 2022 £'000
Maturity analysis		
Year 1	45,051	42,716
Year 2	37,702	38,134
Year 3	34,562	34,773
Year 4	32,699	31,350
Year 5	29,912	29,640
Onwards	61,770	81,763
	241,696	258,376
Less: unearned interest	(20,402)	(26,263)
	221,294	232,113
Analysed as:		
Current	39,302	36,239
Non-current	181,992	195,874
	221,294	232,113

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.

Notes to the financial statements (continued)

23. Financial instruments

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

	31 December 2023	31 December 2022
	£'000	£'000
Assets		
Derivative financial instruments	22,786	17,185
Liabilities		
Derivative financial instruments	15,355	7,288

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.

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 following are transactions with Group companies that do not meet the above exemption criteria.

	Sale of goods		Purchase of goods	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	£'000	£'000	£'000	£'000
Greenergy Flexigrid Limited	13,589	13,935	90,150	79,261
Greenlife Oil Pty Ltd	-	-	225	1,124

The Company also incurred £0.7m (2022: £0.8m) finance costs to Greenergy Flexigrid Limited.

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	£'000	£'000	£'000	£'000
Greenergy Flexigrid Limited	-	-	12,509	4,138

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).

Transactions

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

	Income		Expenditure	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	£'000	£'000	£'000	£'000
PD Ports Limited		-	3,022	2,780
Freightliner Limited	30,704	29,848	-	-

Notes to the financial statements (continued)

24. Related party transactions (continued)

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

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

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

25. Assets pledged as collateral

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

		31 December 2023	31 December 2022
	Notes	£'000	£'000
Current assets			
Inventories	12	456,604	905,113
Trade and other receivables	13	352,873	814,614
Cash and cash equivalents	14	13,611	19,756
Derivative financial instruments	23	22,786	17,185
Total current assets pledged as security		845,874	1,756,668
Non current assets			
Intangible assets	8	-	5,798
Property, plant and equipment	9	6,289	7,117
Investments	10	-	2,918
Total non current assets pledged as security		6,289	15,833

In FY23 financing of the Greenergy Group, which the Company is a part, has been structured, with the collateral that has been stated is in relation to the Senior Facilities Agreement.

Cash with a carrying amount of £17.7m (2022: £36.9m) 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.

Cash with a carrying amount of £9.9m (2022: nil) has been classified as restricted. These balances have been pledged against letters of credit provided to the Group.

The remaining current assets of £818.3m (2022: £1,719.8m), and non-current assets with a carrying amount of £6.3m (2022: £15.8m) have been pledged to secure borrowings of the Group. The Group is not allowed to pledge these assets as security for other borrowings.

Included in inventories, but not included in the assets pledged is the inventory monetisation facility with Goldman Sachs (£212.7m). This is excluded as Greenergy have sold the stock to Goldman Sachs. Refer to note 2 for further detail on the arrangements.

Included in trade receivables, but not included in the assets pledged are the receivables sold under the RPA (£338.3m) as these cannot be securitised. Refer to note 2 for further detail on the arrangements.

Notes to the financial statements (continued)

26. Guarantees

The Company have fixed and floating charges over certain assets pledged as security against the SFA. Refer to note 25 for the value of assets pledged as collateral.

	31 December 2023	31 December 2022
	£'000	£'000
The aggregate secured liabilities comprise:		
Secured liabilities	420,192	485,476

The Group, of which Greenergy Fuels Limited is a part, held letters of credit of £10.0m (2022: £184.9m) as at the year-end date, which is secured against the Group's borrowing facility.

27. Capital commitments

	31 December 2023	31 December 2022
	£'000	£'000
Contracted but not provided for:		
Intangible assets	-	6,344
Property, plant and equipment	-	49

28. Events after the reporting period

Change of Control

On 3 March 2024, Trafigura Group Pte. Ltd. entered into a binding agreement to acquire the entire issued share capital of Greenergy Halo Holdings III Limited of which the Company is indirectly a wholly owned subsidiary. The acquisition remains subject to regulatory clearance.

29. 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 Corporation, 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 2023. Brookfield Corporation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2023.

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 Corporation can be obtained from its registered address at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.