



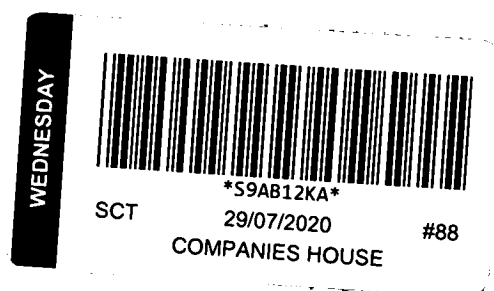
# ***Argent Energy***

**Argent Oils (UK) Limited**

Annual report and financial statements

Registered number SC039715

31 December 2019



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## **Company information**

**Directors** J A R Boyd (resigned 12<sup>th</sup> March 2019)  
J B Rae-Smith (resigned 12<sup>th</sup> March 2019)  
A W Dane (appointed 12<sup>th</sup> March 2019)  
E P Rietkerk (appointed 12<sup>th</sup> March 2019)

**Secretary** D C Morris

**Company number** SC039715 (Scotland)

**Registered Office** 236-240 Biggar Road  
Newarthill  
Motherwell  
ML1 5FA

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

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

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

### Principal activity

The principal activity of the Company during the year was that of processing animal by-products and waste oil. As part of a simplification of the legal entity structure of its UK operations, on 1<sup>st</sup> January 2019, the trade and assets of Argent Oils (UK) Limited were transferred to Argent Energy (UK) Limited and the directors took the decision to cease trading within Argent Oils (UK) Limited. Argent Oils (UK) Limited has been dormant since this date. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis.

### Results and dividends

The operating loss for the year amounted to £2,000 (2018: loss of £800,000).

The directors do not recommend the payment of a dividend (2018: nil).

### Directors

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

J A R Boyd (resigned 12<sup>th</sup> March 2019)  
J B Rae-Smith (resigned 12<sup>th</sup> March 2019)  
A W Dane (appointed 12<sup>th</sup> March 2019)  
E P Rietkerk (appointed 12<sup>th</sup> March 2019)

### Financial instruments

Details of the company's financial instruments are given in notes 9 and 10 to the financial statements.

### Political Contributions

No contributions to political organisations were made during the year (2018: £nil) nor was any political expenditure incurred (2018: £nil).

### Disclosure of information to auditor

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

## Directors' report (continued)

### Future Events

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

**Impact of Brexit on Sales** – Any additional trade tariffs with the EU will mean that Argent's bulk sales are disadvantaged against continental competitors. Concurrently it should improve domestic competitiveness. However the supply of biofuel into the UK post-Brexit that is dumped, subsidised or benefitting from a differential export tax regime, not mitigated by anti-dumping or countervailing duties and therefore depressing market prices of Argent bulk biodiesel in UK, could adversely affect Argent. The risk of losing the protection of countervailing duties against subsidised imports from the point of Brexit has been largely mitigated by an agreement by the UK government to rollover the relevant duties into UK law at that time. The Department of Industry and Trade has also set up a Trade Defence Unit that will be responsible for investigating and, where necessary, imposing measures against any future dumped or subsidised imports.

**Impact of Brexit on Sourcing** - Increasing feedstocks are being imported internationally. Increased trade tariffs will increase the overall feedstock costs for EU material

**RTFO's:** We do not expect the RTFO to be impacted by Brexit, despite the fact that it implements EU renewable fuel requirements. The UK has its own Climate Change Act setting binding carbon emission reductions and RTFO policy is considered the optimum way of achieving these reductions in the road transport sector.

The Company continues to monitor the situation closely

### Auditor

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

### By order of the board



**A W Dane**  
Director

236-240 Biggar Road  
Newarthill  
Motherwell  
ML1 5FA

2<sup>nd</sup> July 2020

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 1.2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS  
United Kingdom

## **Independent auditor's report to the members of Argent Oils (UK) Limited**

### **Opinion**

We have audited the financial statements of Argent Oils (UK) Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and Loss account, the Balance sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We draw attention to the disclosure made in note 1.2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Directors' report**

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

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

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



## **Independent auditor's report to the members of Argent Oils (UK) Limited** (continued)

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

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

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

**Bruce Marks (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
319 St Vincent Street,  
Glasgow,  
G2 5AS  
2 July 2020



**Profit and loss account**  
*for the year ended 31 December 2019*

	<i>Note</i>	<b>2019 £000</b>	2018 £000
<b>Turnover</b>	2	-	15,904
Cost of sales		-	(16,588)
		<hr/>	<hr/>
<b>Gross loss</b>		-	(684)
Administrative expenses		(2)	(116)
		<hr/>	<hr/>
<b>Operating loss</b>	3	(2)	(800)
Interest receivable and similar income	5	3	-
Interest payable and similar expenses	5	-	(99)
		<hr/>	<hr/>
<b>Profit/(Loss) before taxation</b>		1	(899)
Taxation	6	(360)	139
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<b>(359)</b>	<b>(760)</b>
		<hr/> <hr/>	<hr/> <hr/>

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

Notes on pages 10 to 20 form part of these financial statements.

**Balance sheet**  
as at 31 December 2019

	<b>Note</b>	<b>2019 £000</b>	<b>2018 £000</b>
<b>Fixed assets</b>			
Tangible assets	7	-	-
<b>Current assets</b>			
Tangible assets	7	-	753
Stock	8	-	-
Debtors	9	171	22,066
		<hr/>	<hr/>
		171	22,819
<b>Creditors:</b> amounts falling due within one year	10	(247)	(22,706)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(76)	113
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		(76)	113
<b>Deferred tax asset/(liability)</b>	11	-	170
		<hr/>	<hr/>
<b>Net (liabilities)/assets</b>		(76)	283
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	12	10	10
Capital reserve		9	9
Profit and loss account		(95)	264
		<hr/>	<hr/>
<b>Shareholders' funds</b>		(76)	283
		<hr/>	<hr/>

Notes on pages 10 to 20 form part of these financial statements.

These financial statements were approved by the Board of Directors on 2 July 2020 and were signed on its behalf by:



**A W Dane**  
Director

Company registered number: SC039715

## Statement of Changes in Equity

	Called up share capital £000	Capital reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2018	10	9	1,024	1,043
<b>Total comprehensive income for the year</b>				
Loss for the financial year	-	-	(760)	(760)
Total comprehensive loss for the year	-	-	(760)	(760)
<b>Balance at 31 December 2018</b>	<b>10</b>	<b>9</b>	<b>264</b>	<b>283</b>

	Called up share capital £000	Capital reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	10	9	264	283
<b>Total comprehensive income for the year</b>				
Loss for the financial year	-	-	(359)	(359)
Total comprehensive loss for the year	-	-	(359)	(359)
<b>Balance at 31 December 2019</b>	<b>10</b>	<b>9</b>	<b>(95)</b>	<b>(76)</b>

## Notes

(forming part of the financial statements)

### 1. Accounting policies

Argent Oils (UK) Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is SC039715.

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

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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

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

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

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

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

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, on 1<sup>st</sup> January 2019 the directors took the decision to cease trade following a simplification of the legal entity structure of its UK operations which resulted in the trade and assets of Argent Oils (UK) Limited being transferred to Argent Energy (UK) Limited. The company has been dormant since this date and accordingly, the directors have not prepared the financial statements on a going concern basis.

#### 1.3 Foreign currency

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

#### 1.4 Classification of financial instruments issued by the Company

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

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

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

#### 1.5 Non-derivative financial instruments

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

##### *Trade and other debtors*

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

##### *Trade and other creditors*

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

##### *Interest-bearing borrowings*

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

## **Notes** *(continued)*

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

#### **1.6 Tangible fixed assets**

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

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

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

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

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Buildings - 5% per annum
- Plant and equipment - 10-25% per annum

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

#### **1.7 Stock**

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

#### **1.8 Intangible Assets & Goodwill**

Goodwill.

Goodwill is stated at cost less any accumulated impaired losses.

#### **1.9 Revenue recognition**

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

## **Notes (continued)**

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

#### **1.10 Expenses**

##### *Operating lease payments*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

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

Interest payable and similar charges include interest payable and finance charges on finance leases recognised in profit or loss using the effective interest method. Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established. Foreign currency gains and losses are reported on a net basis.

#### **1.11 Taxation**

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

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

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

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

#### **1.12 Dividends**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### **1.13 Borrowings**

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

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.14 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

##### IFRS 16 Leases

IFRS 16 is effective for annual periods beginning on or after 1 January 2019 and requires that upon lease commencement, for all leases, a lessee recognises a right-of-use asset and a lease liability subject to two exemptions ('low-value assets' and short-term leases). This is likely to result in the Company's operating leases being reflected as an asset with a corresponding lease liability.

#### 1.15 Changes in accounting policies

In these financial statements the Company has changed its accounting policies in the following areas:

Financial Instruments, where IFRS 9 was adopted with effect from 1st of January 2018.

Revenue from Contracts with Customers, where IFRS 15 was adopted with effect from 1st of January 2018.

The adoption of these accounting standards did not have a material impact on the reported results of the Company

### 2. Turnover

Turnover is attributable to the continuing activity, namely the production of renewal forms of energy. All turnover arises from the Company's principal activity in the United Kingdom.

	<b>2019</b>	2018
	<b>£000</b>	£000
United Kingdom	-	15,904
	<hr/>	<hr/>



## Notes (continued)

### 3. Expenses and auditor's remuneration

Included in the loss are the following:

	2019 £000	2018 £000
Depreciation	-	147
Operating lease payments – land and buildings	-	65

Auditor's remuneration:

	2018 £000	2018 £000
Audit of these financial statements	2	8
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	-	-

### 4. Staff numbers and costs

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

	Number of employees 2019	2018
Production	-	23

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	-	857
Social security costs	-	88
Pensions	-	18
	-	963

The total remuneration received by directors during the year was £455,997 (2018: £222,879). This value is for 2 directors (2018: 3), all of whom are remunerated via another Group company in the year. A value for allocation of services to the Company for these directors cannot be determined, therefore the above value reflects the remuneration they received for services to the Group as a whole.

### 5. Interest receivable/payable and similar income/expenses

	2019 £000	2018 £000
Interest payable on bank loans and overdraft	-	99
Interest receivable and similar income	3	-

## Notes (continued)

### 6. Taxation

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

	2019 £000	2019 £000	2018 £000	2018 £000
<i>Current tax:</i>				
Current tax on income for the period		64		(156)
Adjustment in respect of prior year		-		314
		<hr/>		<hr/>
Total current tax		64		158
<i>Deferred tax (see note 11):</i>				
Origination and reversal of timing differences	294		(14)	
Adjustments in respect of prior periods	2		283	
	<hr/>		<hr/>	
Total deferred tax		296		(297)
		<hr/>		<hr/>
Total tax		360		(139)
		<hr/>		<hr/>

#### Reconciliation of effective tax rate

	2019 £000	2018 £000
Loss for the year	(359)	(760)
Total tax expense/(credit)	360	(139)
	<hr/>	<hr/>
Profit/(Loss) excluding taxation	1	(899)
Tax using the UK corporation tax rate of 19% (2018: 19%)	-	(171)
Adjustments in respect of prior year	66	31
Transfer of assets and liabilities	328	-
Tax rate changes	(34)	-
Income not taxable	-	1
	<hr/>	<hr/>
Total tax charge/(credit) included in loss	360	(139)
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The reduction in the main UK corporation tax rate from 18% to 17% from 1 April 2020, announced in the Budget on 16 March 2017, was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

**Notes** (continued)

**7. Tangible fixed assets**

	<b>Plant and equipment £000</b>
<b>Cost</b>	
At beginning of year	1,587
Additions	-
Transfer of Trade and Assets	(1,587)
	<hr/>
At end of year	-
	<hr/>
<b>Depreciation</b>	
At beginning of year	834
Charge for year	-
Transfer of Trade and Assets	(834)
	<hr/>
At end of year	-
	<hr/>
<b>Net book value</b>	
<b>At 31 December 2019</b>	-
	<hr/>
At 31 December 2018	753
	<hr/> <hr/>

**8. Stock**

	<b>2019 £000</b>	<b>2018 £000</b>
Raw materials	-	-
	<hr/> <hr/>	<hr/> <hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in year amounted to £nil (2018: £15,192,408). The write-down of stocks to net realisable value amounted to £nil (2018: £nil).

As noted, with effect from 1st January 2019, the trade and assets of Argent Oils (UK) Limited were transferred to Argent Energy (UK) Limited. In anticipation of this, the stocks of Argent Oils (UK) Limited were transferred to Argent Energy (UK) Limited at book value on the 31<sup>st</sup> of December 2018.

## Notes (continued)

### 9. Debtors

	2019 £000	2018 £000
<i>Due within one year</i>		
Corporation tax	-	-
Owed by group undertakings	171	20,101
Taxation and social security - VAT	-	1,965
	<u>171</u>	<u>22,066</u>

### 10. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Bank overdraft	-	20,327
Trade creditors	-	-
Corporation tax	245	236
Other creditors	-	2,143
Accruals and deferred income	2	-
Amounts due to group undertakings	-	-
	<u>24700</u>	<u>22,706</u>

### 11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000
Depreciation in excess of capital allowances	-	170	-	-	-	170

## Notes (continued)

### 12. Capital and reserves

#### Share capital

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	10	10
	<hr/>	<hr/>
Shares classified in shareholders' funds	10	10
	<hr/>	<hr/>
	10	10
	<hr/>	<hr/>

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

#### Capital contribution reserve

The capital reserve is wholly distributable.

### 13. Operating leases

Commitments under non-cancellable operating leases are payable as follows:

	Land and buildings 2019 £000	2018 £000
Less than one year	-	-
Between one and five years	-	-
More than five years	-	-
	<hr/>	<hr/>

### 14. Ultimate parent company and parent company of larger group

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

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

## Notes (continued)

### 15. Related parties

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

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

	<b>Sales 2019 £000</b>	<b>Sales 2018 £000</b>	<b>Purchases 2019 £000</b>	<b>Purchases 2018 £000</b>
Transactions with subsidiaries within the Argent group	<b>3</b>	15,904	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>Receivables Outstanding 2019 £000</b>	<b>Receivables Outstanding 2018 £000</b>	<b>Creditors Outstanding 2019 £000</b>	<b>Creditors Outstanding 2018 £000</b>
Transactions with subsidiaries within the Argent group	<b>171</b>	20,972	-	871
	<hr/>	<hr/>	<hr/>	<hr/>

### 16. Accounting estimates and judgements

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

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

### 17. Subsequent Events

The financial reporting effects of the COVID-19 outbreak are deemed to be non-adjusting events within these accounts. Management do not estimate there to be any financial effect on these accounts, as this entity is no longer trading.