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Officers and professional advisers

Directors

A W Owens
T G Earley
P T Bateson
J H Sodha
C S Lombard
D A Rees (Non Executive)
A B James (Non Executive) (appointed 3 September 2009, resigned 17 June 2010)
M T N Fletcher (appointed 1 July 2010)
D J Gilsenan (appointed 1 July 2010)
M Brown (Non Executive) (resigned 3 February 2010)

Company secretary

D A Connelly (resigned 10 December 2009)
R W Clifton (appointed 10 December 2009)

Registered office

198 High Holborn
London, WC1V 7BD

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Embankment Place
London, WC2N 6RH

Solicitors

Ashurst LLP
Broadwalk House
5 Appold Street
London, EC2A 2HA

Bankers

Barclays Bank plc
Level 28
1 Churchill Place
London, E14 5HP

BNP Paribas (Suisse) SA
Place de Hollande 2
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Geneva 11
Switzerland

Lloyds TSB Bank plc
25 Gresham Street
London, EC2V 7HN

The Royal Bank of Scotland
135 Bishopsgate
London, EC2M 3UR

Directors' report

The directors present their annual report together with the audited financial statements, for the period ended 14 April 2010.

Business review

Greenergy International Limited ("the Company") and its subsidiaries (together "the Group") is one of the major petrol and diesel oil suppliers in the UK, being both the UK's largest independent oil group and one of the largest privately owned groups in the UK. As of 14 April 2010, based on duty returns data to HMRC the Group has a national transport fuel supply market share of 17% (2009: 12%). The Group is also a major supplier, manufacturer and trader of biofuels and has supporting supply and trading operations outside of the UK.

Core purpose and strategy

The Group's core purpose is to deliver financial, operational and environmental benefits to our customers to ensure their long-term loyalty. This core purpose is achieved through the innovation and management of resilient and sustainable fuel supply chains.

The Group's strategy to drive the business incorporates the following objectives:

- Maintain lowest price while providing the highest service level to customers to create loyalty and volume stability.
- Drive margins through economies of unit cost.
- Invest in assets at critical points in the supply chain where significant barriers to entry exist.
- Maintain a lead on environmental sustainability and reporting to preserve a positive profile with customer and supplier bases.
- Develop staff and maintain a driven and appropriately skilled workforce.
- Develop and maintain a corporate structure which is robust to expected business growth.

During the year under review, the Group has continued to develop its business within this overall Group strategy. Its principal activities were blending, supply and marketing of transportation fuels. The principal activity of the Company was to employ staff and manage each of its subsidiaries.

The Group's customer base includes fuel retailers (supermarkets and major oil companies) and fleet users (leading bus companies, distribution companies and corporate users).

Sales and marketing

In the UK, the Group's market share continues to grow rapidly. Through its subsidiary, Greenergy Fuels Limited ('GFL'), average monthly sales were in excess of 509 thousand metric tonnes for the period (up from an average of 385 thousand metric tonnes in the prior year; an increase of 32% year on year). GFL has a 17% share (2009: 12%) of the UK road fuels market (petrol, diesel and blends containing bioethanol and biodiesel). GFL's growth was achieved against the backdrop of an overall UK market reduction in demand of 2% year on year.

The majority of the UK market decline was in petrol (down 3.2%) rather than diesel (down 0.8%). The divergence in growth rates between petrol and diesel remains a notable feature of the UK market. Over the last 18 months the directors set the target of maintaining as much as possible the ratio of petrol sales to diesel sales.

Most of the growth has come from three significant events during the period:

1. Through its subsidiary, Greenergy Terminals Limited ('GTL'), the Group opened its first wholly owned terminal in Plymouth during October 2009. Sales from this terminal have exceeded expectations.
2. From January 2010, the Group became the national supplier of fuels to a major supermarket. This is a fully outsourced contract and the Group manages all aspects of the fuel acquisition and logistics to store. With this win, the Group now supplies all of the major supermarket groups in the UK.
3. The Group has now added a significant UK inland domestic purchasing capability to its import model and has developed inland trading relationships with most of the major oil groups in the UK. This has enhanced Greenergy's ability to supply in the Midlands.

Overall, Greenergy is now the only company in the UK with the capability to source and supply road fuels in all regions which represents an important commercial advantage.

Currently, the Group is operating a dedicated fleet of 92 branded and unbranded road tankers plus temporary spot hires.

Directors' report (continued)

Business review (continued)

Blending and tankage

The Group manufactures the majority of the petrol it supplies, buying petrol raw materials from a variety of oil companies, mostly outside the UK, for blending in its tanks. As well as standard grade (95 octane) petrol, the Group also manufactures its own range of specialty high octane fuels for retail. The Group has ceased blending motorsport fuels as the market has declined as a consequence of broader cut backs in corporate sponsorship in motorsport.

Bioethanol was blended into most of the petrol supplied, up to the 5% limit permitted by national and European fuel standards. The majority of the Group's main grade diesel was also blended with biodiesel in blends of up to 5% prior to 1 April 2010 and up to 7% post, in line with national and European fuel standards.

GFL finalised the last stage of a project to segregate its petrol tankage blending system and truck loading racks at its terminal on the Thames and introduced additional truck loading bays. The system is now dedicated to Greenergy customers. This significantly reduces risks of contamination from other users of the terminal and has improved gate to gate truck loading times for Greenergy customers. Greenergy is the only UK petroleum fuel supplier to publish detailed performance metrics, including gate to gate times on the internet.

All of the Group's fuels are tested to the highest standards by independent inspectors before release to ensure they conform to sales specification. Greenergy is the only UK petroleum fuel supplier to publish quality certificates and detailed monthly information on the biofuels it supplies on the internet.

During the year, the Group continued to promote new build fuel tankage in the UK, either with its own capital (Plymouth / Teeside) or through long-term contracts (Vopak Thames). The Plymouth terminal became operational in the third quarter of 2009 and a new terminal in Teeside became operational in July 2010. These new terminals are in line with the Group's geographic roll out strategy. The Group now has the widest distribution capability of any fuel supplier in the UK.

Purchasing and trading

The purchasing policies of the Group have continued to develop during the year under review. In particular, industry-leading sustainability standards are being developed for biofuels blended into the Group's fuels, with the Government's Renewable Fuels Agency commending GFL for attaining a "gold standard for sustainable biofuel".

Biodiesel manufacturing

Biodiesel is produced from vegetable oil, used cooking oil and animal fats as a feedstock (or a combination).

Through its subsidiary, Greenergy Biofuels Limited ('GBL'), during the period the Group invested in its existing vegetable oil biodiesel plant facility at Immingham to convert it into be able to process waste oils (used cooking oil and animal fats). This was a more complex operation than anticipated and impacted on the Group's financial performance. However, now that it is substantially complete the directors believe that this will put the Group at the forefront of producing sustainable biofuels, on a world wide basis, that exceeds the requirements of the EU Renewable Energy Directive.

In Europe, biodiesel manufacturing economics have been further aggravated by competition from the United States of America and Argentina, where domestic production subsidies have created a strong incentive to produce and export biodiesel and then benefit from further subsidies in Europe. At times, biodiesel produced from these regions has been priced below the cost of feedstock in Europe. The EU has introduced large anti-dumping and anti-subsidy duties on biodiesel imported from the US to counteract this effect and margins for biodiesel in the EU continue to recover.

The longer term drivers for biofuels within the EU remain strong, especially for biofuels generated from waste. This view has been further supported by the UK government's decision to maintain a 20 pence per litre duty incentive for biodiesel produced from Used Cooking Oil for a period of two years from 1 April 2010.

Renewable Transport Fuel Obligation (RTFO)

This was the first substantial year for the RTFO legislation being in effect following the error in drafting legislation that impacted the previous year. The Group has implemented new systems and processes to not only meet its obligations to blend biofuels, but also to maximise income and margin by selling and trading RTFO certificates to other parties. The Group is satisfied with the way in which it has managed the transition to the RTFO regime.

Post year end, from April 2010, the next phase of the RTFO legislation came into force. A 20 pence per litre duty incentive for blending biofuels was removed (except for biofuels generated from Used Cooking Oil). In its place there is an obligation to blend a minimum amount of biofuel, 3.50% in 2010/11, and a penalty for every litre below this obligation that is not blended. This is a significant change to the industry and has a high impact to the way the Group will generate margin in future years.

Directors' report (continued)

Business review (continued)

Renewable Transport Fuel Obligation (RTFO) (continued)

The Group successfully renegotiated and renewed all its customer contracts to reflect the change in the RTFO and in particular to recover the costs of blending the obligated percentage of biofuels into petroleum fuels without a duty incentive.

Notable events this year

Last year there was a banking crisis and a recession in the UK. During this difficult time the Group successfully continued to grow and to manage its growth. During the period, against the general industry trend, GFL's banking lines have been increased further to nearly \$1 billion (\$550 million in 2009).

During the period the Group more than doubled its full service outsource operations adding a substantial degree of administrative and I.T. complexity. On the back of this increase the Group increased headcount and now has more than 100 employees for the first time. The Group, through GFL, also invested in a new joint venture operation in Brazil for the sourcing and origination of bioethanol.

During the period the Group entered a commercial trial of supplying ship bunker fuel on the Thames. On the basis of the trial, and the downturn in global shipping, it was decided not to develop a fully commercial operation.

The growth, the difficult markets, both in the fuels market and the broader financial markets, and changes in legislation and regulation through the RTFO has created a significant level of ongoing change and change in risk factors for the business. The directors are delighted to have traded successfully with profitable growth through this challenging environment. The Group has delivered increased market share, additional distribution capability, increased profits and improved banking lines.

These achievements have not come easily and the Group has had to manage a number of notable changes and difficulties during the period:

- There were teething troubles at Plymouth when the terminal first became operational. The Group maintained its stance of open communication and putting the customer first to swiftly and effectively manage through these issues.
- Starting fuel distribution to a major new customer across the UK with an additional 161 new drivers, 46 trucks and 13 delivery locations was managed well. However, there were some difficulties on the administration side with the production of an additional 7,000 invoices per month which adversely impacted on the Group's invoicing accuracy statistics. Again, these issues have now been resolved.
- The increased volumes have resulted in additional volume through key locations that have increased unit shipping demurrage costs. This has been partially managed through the use of larger vessels, but costs are still higher than in the past as the terminal throughput has increased.

The directors are of the view that neither the downturns in the UK (and European) fuels markets, nor the changes in RTFO (and from 2011 RED) legislation have yet run their course, with further important milestones to be completed in the next 12 months. Thus the challenge of maintaining financial performance in the year 2010/11 will be significant.

Change of accounting period

During the period the directors chose to change the accounting period of the Group from 31 March to 14 April. The purpose of this was to bring in line the accounting period with the duty reporting requirements of HMRC. As such, the financial results presented in this report are for the 12.5 month period ended 14 April 2010.

Principal risk factors

Those risks which management consider most important are identified below:

Prices and markets

The Group operates in a global industry particularly exposed to risks as diverse as global supply and demand, specific industry events, regional legislative change, politics and climate. Such risk areas pose a particular challenge to all parties involved in the oil markets. For example, governments' attitudes to fiscal support for biofuels, previously revealed in the form of duty incentives within the UK, can have a significant effect on market structures, ultimately impacting on profitability.

Recent changes in the RTFO procedures and biofuel market volatility also increases the risk associated with internal and market risk management.

Because international oil markets generally price in US Dollars, and many of our UK customers wish to purchase oil products in Pounds Sterling, there are also significant foreign exchange risks inherent in the Group's business. Biofuel feedstocks are also often priced in Euros which adds a further dimension of risk to manage.

Directors' report (continued)

Principal risk factors (continued)

Prices and markets (continued)

In response to global supply and demand risk, the Group maintains an active forward purchasing and sales activity hedged with appropriate market mechanisms. The Group has some weighting towards customers that tend to benefit from economic (and hence demand) downturns, such as bus companies.

In response to legislative and political risk, the Group maintains its position at the forefront of the UK biofuels industry through membership of relevant trade associations and by providing direct advice to government on its fuel policies.

In response to market and exchange risks, the Group continues to develop and implement comprehensive internal control processes, hedging mechanisms and IT systems including ever more automation of price and risk-related processes such as customer invoicing.

The nature and extent of risks arising from financial instruments are more fully described in note 27 to the financial statements.

Counterparty risk

The risk that suppliers, for whatever reason, are unable to deliver product is an increasing industry risk. When suppliers fail to deliver (normally due to issues of working capital driven by high oil or raw material prices or reduced credit lines), this can have a material impact on the Group's cost of product and supply strategy.

The Group has further strengthened its existing policy of applying counterparty limits to all non oil major or vegetable oil major suppliers prior to entering into a transaction. These limits are then subject to regular review throughout the term of the contract.

Liquidity risk

The risk that runaway oil prices impact on the Group's working capital has received more attention over the last year.

During the year Greenergy Fuels Limited increased both of its primary bank financing lines. The Group has a Treasury team that forecasts cashflows and models the impact of a change in oil prices to manage this risk.

Fiscal risk

As a major excise duty and VAT payer cash flows of the Group are impacted by changes in Government fiscal policy. The fuel supply chain could be impacted by unforeseen changes made by the Government.

Credit risk

Most of the Group's customers are FTSE100 or equivalent companies with good credit standing. Additionally, the Group 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 Group uses third party credit referencing agencies as an input into this process and monitors all trade debtor balances on a daily basis.

Reputation risk

The risk that non-performance of ship owners, inland hauliers, storage facility operators or other similar ancillary service providers has a knock-on negative effect on the Group's reputation, including the risk associated with ensuring the Group's biofuels are sourced from sustainable suppliers. The Group endeavours to develop and maintain excellent relationships with all of its service providers. However, where unavoidable incidents occur, the Group's communications department is available to manage public relations.

Key staff

The risk that the services of key staff may be lost for whatever reason. The Group endeavours to remunerate key staff at or above market rate and offers a comprehensive package of benefits, including health insurance, bonuses and share options. Its philosophy is one of inclusion and staff development.

Business interruption risk

The Group has successfully tested a comprehensive disaster recovery plan to address situations that could lead to an extended interruption in business. This includes a detailed written procedure to follow with clearly identified responsibilities, and the provision of backup computer systems hardware and remote access facilities should any of the Group's operational offices become inaccessible for any reason.

Directors' report (continued)

Results and dividends

The retained profit for the period of £11,046,000, (2009: £9,069,000) has been taken to reserves.

The directors have proposed a final ordinary dividend of £4,538,000 in respect of the current period. This has not been included within creditors as it was not approved before the period end.

Dividends paid during the period comprise an interim dividend of £2,774,000 (£18.06 per share).

Political and charitable contributions

The Group made charitable donations during the period of £60,000 (2009: £5,000). The Group actively encourages its employees to participate and select the recipients of charitable donations.

No political donations were made and no political expenditure was incurred during the period (2009: £nil).

Sustainability

Greenergy has sought to set standards of best practice on biofuel sourcing by (i) maximising the greenhouse gas emissions savings from the biofuel that it supplies and (ii) obtaining the best possible supply chain information for higher risk feedstocks. The Group has developed its own sustainability criteria for Brazilian bioethanol and, through an extensive programme of site visits, consultancy support and third-party audits, has delivered significant volumes of bioethanol meeting the UK Government's "gold standard" for sustainable biofuel. It was the first group to achieve this milestone.

Key performance indicators

The Group uses a number of key performance indicators to evaluate the overall performance of the Group from a financial, operations, social and environmental perspective. The Group's key financial and other performance indicators performance during the period were as follows:

	14 April 2010	14 April 2009	Change %
Gross profit (£'000)	89,746	72,447	+24%
Volume of fuel supplied (MT)	6,365,000	4,813,000	+32%
Haulage performance - on time deliveries (%)	99.1%	98.9%	+0.2%
Accurate invoices (%)	98.7%	99.2%	-0.5%

Gross profit

During the period, gross profit increased by 24%. This was primarily driven by increased sales volumes which increased by 32% (see below).

Volume of fuel supplied

Total volume has increased by 32%. The Group continues to win increased business with new and existing customers due to our strategy of offering high service levels at value. The growth in volume has been achieved under the backdrop of an overall decrease in the UK fuel market.

Haulage performance

With the logistics manager recruited in the prior year, the Group has been able to actively manage the effectiveness and efficiency of the fleet. Whilst performance has improved, there have been a high number of vehicle related issues and as such the Group plans to implement a fleet replacement programme throughout 2010 in order to improve the fleet's reliability.

Percentage of accurate invoices

The number of monthly invoices generated more than doubled year on year due to the increase in sales. This increase caused a slight drop in invoice accuracy. The Group continues to review its processes to improve accuracy further.

Directors' report (continued)

Future developments

The Group has opened a terminal in Teeside in July 2010. The Group continues to evaluate additional opportunities to improve its distribution network.

Barclays Capital has held shares in the Company since 2006 but, as financial investor, its shareholding was always of finite duration. As part of the global restructuring of its investment portfolio, on 18 May 2010, Barclays decided to sell its shares in Greenergy. Tesco has taken up its option to buy most of the Barclays shares and employees and management have bought the remainder.

Directors

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

- A W Owens
- T G Earley
- P T Bateson
- J H Sodha
- C S Lombard
- D A Rees (Non Executive)
- A B James (Non Executive) (appointed 3 September 2009, resigned 17 June 2010)
- M T N Fletcher (appointed 1 July 2010)
- D J Gilsenan (appointed 1 July 2010)
- M Brown (Non Executive) (resigned 3 February 2010)

Disclosure of information to auditors

Each of 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 Group and parent company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group and parent company's auditors are aware of that information.

Independent auditors

During the period the directors reappointed PricewaterhouseCoopers LLP as auditors of the Group.

By order of the board



R W Clifton
Company secretary
23 July 2010

Statement of directors' responsibilities

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 the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the board



R W Clifton
Company secretary
23 July 2010

Independent auditors' report to the members of Greenergy International Limited

We have audited the Group and Parent Company financial statements (the "financial statements") of Greenergy International Limited for the period ended 14 April 2010 which comprise Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group Note of historical cost profit and losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 14 April 2010 and of the group's profit and cash flows for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

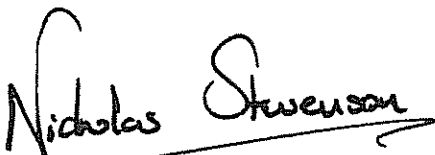
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Nicholas Stevenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2010

**Group profit and loss account
for the period ended 14 April 2010**

		Group	
	Note	54 Week period ended 14 April 2010 £'000	Year ended 31 March 2009 £'000
Turnover	2	2,801,452	2,403,808
Cost of sales		<u>(2,711,706)</u>	<u>(2,331,361)</u>
Gross profit		89,746	72,447
Distribution costs		(34,120)	(32,685)
Administrative expenses		(26,559)	(19,533)
Other operating income		-	1,280
Exceptional items	13	(4,499)	-
Operating profit before exceptional items		29,067	21,509
Operating profit	3	24,568	21,509
Interest receivable and similar income	6	79	2,143
Interest payable and similar charges	7	<u>(3,190)</u>	<u>(5,754)</u>
Profit on ordinary activities before taxation		21,457	17,898
Tax on profit on ordinary activities	8	(7,637)	(6,307)
Profit on ordinary activities after taxation		13,820	11,591
Minority interest	26	-	1,478
Profit for the financial period		13,820	13,069

The results stated above are all derived from continuing operations.

**Group statement of total recognised gains and losses
 for the period ended 14 April 2010**

	Note	Group	
		14 April 2010 £'000	31 March 2009 £'000
Profit on ordinary activities after taxation		13,820	13,069
Decrease in fair value of available-for-sale-financial assets	13	-	(2,282)
Exchange difference on translation of net assets of subsidiaries		(31)	688
Total recognised gains and losses for the period		13,789	11,475

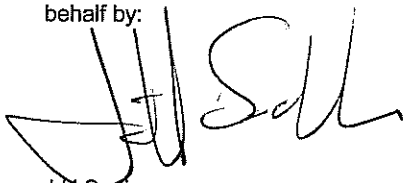
**Note of historical cost profits and losses
 for the period ended 14 April 2010**

	Group	
	14 April 2010 £'000	31 March 2009 £'000
Reported profit on ordinary activities before taxation	21,457	17,898
Impact of recognising stock and financial instruments at market value and fair value respectively	22,487	(13,188)
Historical cost profit on ordinary activities before taxation	43,944	4,710
Historical cost profit for the period after taxation	31,640	3,391

**Group and Company Balance sheets
as at 14 April 2010**

	Note	Group		Company	
		14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Fixed assets					
Intangible assets	10	10,655	11,317	-	-
Tangible assets	11	78,913	52,195	634	236
Investments:					
Investment in Group undertakings	12	-	-	19,727	19,715
Other financial assets	13	1,205	803	1,205	803
		<u>90,773</u>	<u>64,315</u>	<u>21,566</u>	<u>20,754</u>
Current assets					
Stock	14	252,945	182,285	-	-
Debtors	16	483,930	346,459	14,187	7,424
Cash at bank and in hand		141,620	110,820	84	475
		<u>878,495</u>	<u>639,564</u>	<u>14,271</u>	<u>7,899</u>
Creditors: amounts falling due within one year	17	<u>(879,819)</u>	<u>(635,361)</u>	<u>(10,428)</u>	<u>(4,972)</u>
Net current (liabilities) / assets		<u>(1,324)</u>	<u>4,203</u>	<u>3,843</u>	<u>2,927</u>
Total assets less current liabilities		<u>89,449</u>	<u>68,518</u>	<u>25,409</u>	<u>23,681</u>
Provisions for liabilities	18	(6,960)	(5,150)	-	-
Creditors: amounts falling due after more than one year	19	<u>(5,857)</u>	<u>(2,971)</u>	<u>-</u>	<u>-</u>
Net assets		<u>76,632</u>	<u>60,397</u>	<u>25,409</u>	<u>23,681</u>
Capital and reserves					
Called up share capital	20	154	154	154	154
Share premium account	21	24,817	24,817	24,817	24,817
Revaluation reserve	21	-	(4,901)	-	(4,901)
Profit and loss account	21	51,661	40,327	438	3,611
Total shareholders' funds		<u>76,632</u>	<u>60,397</u>	<u>25,409</u>	<u>23,681</u>
Minority interests	26	-	-	-	-
Capital employed		<u>76,632</u>	<u>60,397</u>	<u>25,409</u>	<u>23,681</u>

The financial statements on pages 10 to 37 were approved by the board of directors on 23 July 2010 and were signed on its behalf by:



J H Sodha
Director

**Group cash flow statement
for the period ended 14 April 2010**

	Note	14 April 2010 £'000	31 March 2009 £'000
Net cash inflow / (outflow) from operating activities	23	<u>270,463</u>	<u>(22,180)</u>
Returns on investments and servicing of finance			
Interest received		79	2,143
Interest paid		<u>(3,190)</u>	<u>(5,754)</u>
		<u>(3,111)</u>	<u>(3,611)</u>
Taxation			
UK corporation tax paid		(5,669)	(8,432)
Overseas tax paid		<u>(48)</u>	<u>(208)</u>
		<u>(5,717)</u>	<u>(8,640)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(30,461)	(14,437)
Sale of tangible fixed assets		63	-
		<u>(30,398)</u>	<u>(14,437)</u>
Acquisitions and disposals			
Acquisition of interest in subsidiary		-	(330)
Dividends paid		<u>(2,774)</u>	<u>(4,000)</u>
Cash outflow before financing		228,463	(53,198)
Financing			
Issuing of ordinary share capital net of issue costs		-	100
Increase / (decrease) in bank loans		3,602	(4,453)
Decrease in other third-party loans		<u>(1,087)</u>	<u>(1,675)</u>
		<u>2,515</u>	<u>(6,028)</u>
Increase / (decrease) in cash during the year	24	<u>230,978</u>	<u>(59,226)</u>

Reconciliation of net cash flow to movement in net debt for the period ended 14 April 2010

	14 April 2010 £'000	31 March 2009 £'000
Net debt at 1 April 2009	(156,737)	(104,327)
Increase / (decrease) in cash during the period	230,978	(59,226)
Exchange difference on translation of brought forward net assets of subsidiaries	(31)	688
Change in net debt resulting from cash flows	(2,515)	6,128
Net debt at 14 April 2010	71,695	(156,737)

Reconciliation of movements in Group shareholders' funds for the period ended 14 April 2010

	14 April 2010 £'000	31 March 2009 £'000
Profit on ordinary activities	13,820	13,069
Dividends paid	(2,774)	(4,000)
Retained profit for the financial period	11,046	9,069
Decrease in fair value of available-for-sale financial assets	-	(2,282)
Writeback of revaluation reserve prior to impairment of available-for-sale equity investment (refer note 13)	4,901	-
Exchange difference on translation of brought forward net assets of subsidiaries	(31)	688
Increase in shares issued	-	100
Share-based payments	319	308
Net increase in equity shareholders' funds	16,235	7,883
Opening shareholders' funds	60,397	52,514
Closing shareholders' funds	76,632	60,397

Notes to the financial statements for the period ended 14 April 2010

1. Principal accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, modified to include the revaluation of stocks of fuel products and Renewable Transport Fuel Obligation Certificates held for trading. Further details of the Directors' consideration of the going concern basis are provided under 'Liquidity Risk' in note 27 to the financial statements. The principal accounting policies, which have been applied consistently throughout the period are set out below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 14 April 2010. The acquisition method of accounting has been adopted for the increase in ownership in the subsidiary undertaking, Greenergy Bioethanol SA. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

Revenue recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods represents net invoiced sales of fuel products, excluding value added tax and excise duty. Revenue is recognised when the risks and rewards of ownership have transferred to the buyer.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Dividend income

Revenue is recognised when the Group's right to receive payment is established.

Stocks

Stocks of fuel products are valued at market value by reference to quoted market prices at period end with the resulting difference being recognised in the profit and loss account through cost of sales. Duty paid on stock is valued at cost. This is a departure from both SSAP 9 'Stocks and long-term contracts', which requires stock to be carried at the lower of cost and net realisable value, and from the current cost accounting rules of the Companies Act 2006 which require any recognised differences between market value and historical cost to be taken to a revaluation reserve. In the view of the directors, the treatments prescribed by SSAP 9 'Stocks and long-term contracts' or the current cost accounting rules would not present a true and fair view because the stocks of fuel products held are marketable commodities traded on international markets and are therefore immediately saleable and the derivatives which the Company uses to manage exposures to inventory price movements are also recognised at fair value through the profit and loss account.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. If any such indication exists, a full impairment review is undertaken for that asset or group of assets, and the estimated loss is recognised in the profit and loss account. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Financial instruments

Financial instruments such as futures and swap contracts are entered into in order to hedge exposure to price fluctuations which arise on stock and purchases and sales of oil products. Derivative financial instruments are recognised at fair value and gains and losses on remeasurement of contracts at the balance sheet date, arising as a result of changes in the fair value of such contracts, are taken to cost of sales.

The fair value of derivative financial instruments such as swaps and futures is determined by reference to the traded price of that instrument on the relevant exchange or over the counter market at the balance sheet date.

Changes in the carrying value of financial instruments that are designated and effective as hedges of future cash flows ('cash flow hedges') are recognised directly in equity and any ineffective portion is recognised immediately in the profit and loss account. Amounts deferred in equity in respect of cash flow hedges are subsequently recognised in the profit and loss account in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gains or losses relating to cash flow hedges recognised in equity are recognised in the profit and loss account.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the profit and loss account immediately.

Fixed price sales and purchase contracts for the delivery of specified quantities of a commodity at a determined future date which are in the scope of FRS 26 based on a practice of net settlement of such contracts are calculated by reference to the difference between the market index price of the relevant commodity at the balance sheet date and at the contract pricing date(s).

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 as such. 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.

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the beginning of each month. 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 profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are translated at the average rates of exchange during the period. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost and written off on a straight line basis over their useful economic life up to a maximum of 20 years.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life up to a maximum of 20 years.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale.

Cash and cash equivalents

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Investments in debt and equity securities

Investments in subsidiary companies held in the Company are stated at cost less impairment. Other investments in debt and equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in reserves, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit and loss account.

Share based payments

The Company operates a number of equity-settled, share-based compensation plans. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss, with a corresponding adjustment to equity.

The financial effect of awards by the Company of options over its equity shares to the employees of subsidiary undertakings are recognised by the Company in its individual financial statements. In particular, the Company records an increase in its investment in subsidiaries with a credit to equity equivalent to the FRS 20 cost in the subsidiary undertakings.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful lives once the asset has been successfully commissioned and is proven to be able to operate at normal levels. Estimated useful lives are as follows:

- Office equipment: 2 to 5 years
- Plant and machinery: 2 to 20 years
- Buildings: 20 years

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Tangible fixed assets (continued)

Development costs associated with projects under construction are capitalised. These costs will be written off in line with the depreciation rate applicable to the associated plant and machinery once the project is completed and the assets are brought into use.

Finance costs that are directly attributable to the construction of tangible fixed assets and incurred up to the time of their successful commissioning are capitalised as part of the cost of those assets.

Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred except as noted below.

Expenditure on the development of projects under construction where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility is capitalised and amortised over the same period as the associated plant and machinery. Any capitalisation and deferral of costs is carried out in accordance with SSAP 13 'Accounting for research and development'.

Pension costs

Contributions are made to the personal plans of certain employees. The expenditure is charged to the profit and loss account in the period to which it relates.

Renewable Transport Fuel Obligation (RTFO)

Since 1 April 2008 the Group has been 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 next year's obligation of the Group or sold to other parties.

The liability associated with the Group's obligations under the scheme are recognised in the period 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.

Certificates generated or purchased during the period which will be used to settle the current or future period 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 period in which the certificates are generated.

Certificates held for sale to third parties are recognised at fair value by reference to period 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 profit and loss account. This is a departure from both SSAP 9 'Stocks and long term contracts', which requires stock to be carried at the lower of cost or realisable value, and from the current cost accounting rules of Companies Act 2006 which require any recognised differences between market value and historical cost to be taken to a revaluation reserve. In the view of the directors, the treatment prescribed by SSAP 9 'Stocks and long-term contracts' or the current cost accounting rules would not present a true and fair view because the decision to either generate or purchase certificates in excess of the Group's current or future obligation is made by reference to the value that can only be realised by the sale of those certificates on an active market over the remaining finite life of the certificates. Therefore the recognition of that value at the time the certificates are purchased/generated is required to provide a true and fair view of the performance of the Group for the period.

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

Notes to the financial statements (continued)

2. Turnover

Turnover is segmented by destination as follows:

	14 April 2010 £'000	31 March 2009 £'000
United Kingdom	2,791,745	2,364,533
Rest of Europe	2,142	39,275
Non Europe	7,565	-
	<u>2,801,452</u>	<u>2,403,808</u>

All turnover is derived in a single business segment, that being the blending, supply and marketing of transportation fuels.

3. Operating profit

Group operating profit is stated after charging / (crediting):

	14 April 2010 £'000	31 March 2009 £'000
Operating lease rentals		
Land and buildings	329	235
Other	21,828	17,103
Depreciation of tangible fixed assets	3,680	2,764
Amortisation of intangible fixed assets	663	642
Foreign exchange (gain)	(4,549)	(10,170)
Exceptional items		
Impairment of available for sale asset (refer note 13)	4,499	-
Auditors remuneration:		
Audit of these financial statements	77	65
Audit of financial statements of subsidiaries pursuant to legislation	103	95
Other services relating to compliance	188	35
Other services relating to taxation	115	81

4. Remuneration of directors

	14 April 2010 £'000	31 March 2009 £'000
Aggregate emoluments	2,154	2,176
Company pension contributions to money purchase schemes	24	22
	<u>2,178</u>	<u>2,198</u>
Highest paid director		
Aggregate emoluments	748	704
Company pension contributions to money purchase schemes	24	22
	<u>772</u>	<u>726</u>

During the period, one director (2009: one) accrued retirement benefits under money purchase schemes.

Notes to the financial statements (continued)

5. Staff numbers and costs

The average monthly number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	14 April 2010	31 March 2009
Selling and administration	92	81

The aggregate payroll costs of these persons were as follows:

	14 April 2010 £'000	31 March 2009 £'000
Wages and salaries	8,618	7,124
Social security costs	1,024	932
Pensions and post retirement benefits	158	22
Equity-settled share-based payments	319	308
	10,119	8,386

The Company's equity-settled share-based payments are made under a share option plan dated 5 July 2000, as amended on 21 March 2006 (the 'Plan'). From time to time, the Company awards share options to employees of the Company itself and employees of other Group companies.

Options awarded under the Plan have a life of 10 years and normally vest equally on the first, second, third and fourth anniversary of grant. Subject to certain conditions, vested options may be exercised on or after the earlier of flotation or takeover of the Company; and 50% of those options granted on or after 21 March 2006, may be exercised on the fifth anniversary of grant.

The directors have assessed the probability of the exercise conditions being met at various times during the life of each option and applied the inputs shown in the table below to a simple binomial model in order to determine the fair value of each option award under the Plan. In the absence of historic pricing information for the Company's shares, the directors have assessed expected volatility by considering the historic volatility of similar listed entities.

	Granted 21 Mar 2006 Exercise price £100	Granted 21 Mar 2006 Exercise price £200	Granted 26 Feb 2008 Exercise price £750
The Plan: 2010 option awards			
Share price at date of grant	£200	£200	£750
Exercise price	£200	£200	£750
Maximum option life in years	10	10	10
Risk free rate	4.4%	4.4%	4.4%
Expected staff turnover excluding directors	10%	10%	5%
Expected volatility	40%	40%	17%
Expected dividend yield	2.5%	2.5%	0%
Expected value per option	£108 - £111	£67 - £72	£164

The expense recognised for equity-settled share-based payments in respect of employee services received during the period is £319,000 (2009: £308,000).

Details of outstanding share options can be found in note 20.

Notes to the financial statements (continued)

6. Interest receivable and similar income

	14 April 2010 £'000	31 March 2009 £'000
Interest receivable on:		
Bank balances	70	2,052
Other loans	9	91
	<u>79</u>	<u>2,143</u>

7. Interest payable and similar charges

	14 April 2010 £'000	31 March 2009 £'000
Interest payable on:		
Bank balances	3,021	5,652
Other loans	169	299
	<u>3,190</u>	<u>5,951</u>
Capitalised to fixed assets during the period	-	(197)
Recognised in the profit and loss account	<u>3,190</u>	<u>5,754</u>

The capitalisation rate used to determine the amount of finance costs capitalised was LIBOR plus a premium of 2% per annum.

8. Tax on profit on ordinary activities

	14 April 2010 £'000	31 March 2009 £'000
Analysis of charge in period:		
UK corporation tax		
Current tax on income for the period	5,684	7,042
Adjustment in respect of previous periods	114	(640)
	<u>5,798</u>	<u>6,402</u>
Overseas tax		
Current tax on income for the period	22	8
Adjustment in respect of previous periods	3	(2)
	<u>25</u>	<u>6</u>
Total current tax charge	<u>5,823</u>	<u>6,408</u>
Deferred tax (note 18)		
Origination and reversal of timing differences	1,531	(483)
Adjustment in respect of previous periods	283	382
Total deferred tax charge	<u>1,814</u>	<u>(101)</u>
Tax on profit on ordinary activities	<u>7,637</u>	<u>6,307</u>

Notes to the financial statements (continued)

8. Tax on profit on ordinary activities (continued)

The current tax charge for the period is higher (2009: higher) than the standard rate of corporation tax in the UK (28%, 2009: 28%). The differences are explained below:

	14 April 2010 £'000	31 March 2009 £'000
Profit before tax	21,457	17,898
At tax 28% (2009: 28%)	6,008	5,011
Effects of:		
Tax deductible capitalised interest	-	(56)
Expenses not deductible for tax	191	34
Other permanent differences	1,335	407
Unrelieved and utilised tax losses	-	1,250
Capital allowances in excess of depreciation	(1,577)	(828)
Effect of different tax rates overseas	217	(55)
Other short term timing differences	(467)	1,286
Adjustments in respect of previous periods	116	(641)
Total current tax charge	5,823	6,408

Factors that may affect future tax charges:

Subsequent to period end the Government has announced that legislation will be introduced to cut the rate of corporation tax from 28% to 27% for financial years commencing on or after 1 April 2011. Further tax cuts are planned in future years reducing the rate of corporation tax to 24% by 2014/15. These changes have not been applied as they have not been substantially enacted.

The carry forward and use of unutilised tax losses will result in a reduction of the future current tax charges of the Group.

9. Dividends

	14 April 2010 £'000	31 March 2009 £'000
Current period interim dividend paid: £18.06 per share (2009: nil)	2,774	-
Previous period final dividend paid: Nil (2009: £24.38 per share)	-	4,000

The directors have proposed a final ordinary dividend in respect of the current period of £4,538,000 (2009: nil). This has not been included within creditors as it was not approved before the period end.

Notes to the financial statements (continued)

10. Intangible assets Group	Purchased goodwill £'000	Negative goodwill £'000	Trademarks and domain names £'000	Total £'000
Cost				
At 1 April 2009	13,645	(118)	38	13,565
Additions	-	-	-	-
At 14 April 2010	13,645	(118)	38	13,565
Accumulated amortisation				
At 1 April 2009	2,211	(1)	38	2,248
Negative goodwill written back	-	(7)	-	(7)
Charge for the period	669	-	-	669
At 14 April 2010	2,880	(8)	38	2,910
Net book value at 14 April 2010	10,765	(110)	-	10,655
Net book value at 31 March 2009	11,434	(117)	-	11,317

Negative goodwill is being written back on a straight line basis over the period to 1 November 2027 which is equal to the period over which the related non-monetary assets of the acquired business are depreciated.

Company	Trademarks and domain names £'000
Cost	
At 1 April 2009 and 14 April 2010	37
Accumulated amortisation	
At 1 April 2009 and 14 April 2010	(37)
Net book value at 1 April 2009 and 14 April 2010	-

11. Tangible fixed assets

Group	Assets under construction £'000	Land and buildings £'000	Plant and machinery £'000	Office equipment £'000	Total £'000
Cost					
At 1 April 2009	7,773	-	47,766	974	56,513
Additions	11,407	-	18,424	630	30,461
Disposals	-	-	(104)	(242)	(346)
Reclassifications	(5,977)	1,330	4,647	-	-
At 14 April 2010	13,203	1,330	70,733	1,362	86,628
Accumulated depreciation					
At 1 April 2009	-	-	(3,648)	(670)	(4,318)
Disposals	-	-	41	242	283
Charge for the period	-	(10)	(3,421)	(249)	(3,680)
At 14 April 2010	-	(10)	(7,028)	(677)	(7,715)
Net book value at 14 April 2010	13,203	1,320	63,705	685	78,913
Net book value at 31 March 2009	7,773	-	44,118	304	52,195

Notes to the financial statements (continued)

11. Tangible fixed assets (continued)

Depreciation has not been charged on assets which are under construction or on plant and machinery which has yet to be successfully commissioned at the balance sheet date.

Company	Office equipment £'000
Cost	
At 1 April 2009	539
Additions	626
At 14 April 2010	1,165
Accumulated depreciation	
At 1 April 2009	(303)
Charge for the period	(228)
At 14 April 2010	(531)
Net book value at 14 April 2010	634
Net book value at 31 March 2009	236

12. Investments Company

Company	Group undertaking £'000
Cost	
At 1 April 2009	19,715
Share-based payments to subsidiary undertaking employees	12
At 14 April 2010	19,727

Name of undertaking	Country of registration	Description of shares held	Proportion of voting rights and nominal value of issued shares held:		Principal activity
			Group	Company	
Shares in Group undertakings					
Greenergy Fuels Limited	England and Wales	Ordinary shares	100%	100%	Blending, supply and marketing of branded low emission fuels
Greenergy Biofuels Limited	England and Wales	Ordinary shares	100%	-	Construction and operation of biofuel production plants and distribution of resultant products.
Greenergy Bioenergy Limited	England and Wales	Ordinary shares	100%	100%	Distribution of environmentally friendly fuels and various forms of biomass for heat and power generation
Greenergy Deutschland GmbH	Germany	Ordinary shares	100%	100%	Distribution of low emission fuels to the German market

Notes to the financial statements (continued)

12. Investments

Greenergy SA	Switzerland	Ordinary shares	100%	100%	Provision of oil trading services
Greenergy USA Inc	United States of America	Ordinary shares	100%	100%	Origination of low emission fuels and feedstock
Greenergy Limited	Terminals England and Wales	Ordinary shares	100%	100%	Construction and operation of biofuel terminals
Greenergy SA	Bioethanol Switzerland	Ordinary shares	100%	-	Trading entity working to procure sustainable bioethanol

On 18 January 2010, Greenergy Fuels Limited ('GFL') subscribed for the share capital of a newly incorporated Greenergy Bioethanol SA ('GBS'). At the period ended 14 April 2010, this entity remained dormant with operations commencing subsequent to period end.

All of the above companies operate principally in their country of incorporation or registration. The directors believe that the carrying value of the investments is supported by their underlying net assets.

13. Other financial assets

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Equity investments classified as available for sale:				
Fair value on acquisition	5,704	5,704	5,704	5,704
Decrease in fair value	(4,499)	(4,901)	(4,499)	(4,901)
Net fair value	1,205	803	1,205	803

The investment classified as available-for-sale relates to a 5.04% investment in Camco International Limited, a company quoted on the London Stock Exchange's Alternative Investment Market. The fair value of this asset is determined by reference to published price quotations in an active market. As at 14 April 2010, the published price quote of this investment was 14.25p per share (2009: 9.5p per share).

As at 14 April 2010, the directors considered the decrease in the fair value of this asset to be significant and prolonged and as such have impaired the asset to its market price of 14.25p per share. This has resulted in a write back of the revaluation reserve of £4,901,000 and an exceptional charge to the profit and loss of £4,499,000.

14. Stock

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Fuel products	228,016	178,546	-	-
RTFO certificates - own use	16,636	3,739	-	-
RTFO certificates - held for trading	8,293	-	-	-
	252,945	182,285	-	-

At 14 April 2010, application of the Company's stock valuation policy resulted in a stock value £5,765,000 higher (2009: £4,752,000 higher) than a valuation at the lower of cost and net realisable value.

Notes to the financial statements (continued)

15. Financial instruments by category

The accounting policies for financial instruments in Note 1 have been applied to the line items below:

Group	Loans and receivables £'000	Assets at fair value through profit and loss £'000	Available for sale £'000	Total £'000
Assets at 14 April 2010				
Available-for-sale investments (level 1)	-	-	1,205	1,205
Derivative financial instruments (level 1)	-	-	-	-
Derivative financial instruments (level 2)	-	7,700	-	7,700
Debtors	463,383	-	-	463,383
Cash	141,620	-	-	141,620
	605,003	7,700	1,205	613,908
Assets at 31 March 2009				
Available-for-sale investments (level 1)	-	-	803	803
Derivative financial instruments (level 1)	-	7,438	-	7,438
Derivative financial instruments (level 2)	-	35,811	-	35,811
Debtors	295,306	-	-	295,306
Cash	110,820	-	-	110,820
	406,126	43,249	803	442,740
		Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
Liabilities at 14 April 2010				
Creditors	-	-	262,820	262,820
Derivative financial instruments (level 1)	-	4,890	-	4,890
Derivative financial instruments (level 2)	-	3,886	-	3,886
		8,776	262,820	271,596
Liabilities at 31 March 2009				
Creditors	-	-	380,572	380,572
Derivative financial instruments (level 1)	-	-	-	-
Derivative financial instruments (level 2)	-	20,825	-	20,825
		20,825	380,572	401,397

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise AIM equity investments classified as available for sale and exchange traded commodity derivative financial instruments.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

No analysis of where hedge accounting has been applied is provided because the hedged amount is considered immaterial to these financial statements.

Company

At both 14 April 2010 and 31 March 2009, all financial assets of the Company were categorised as loans and receivables and equity investments of the Company were categorised as available for sale. All financial liabilities of the Company were categorised as other financial liabilities at both 14 April 2010 and 31 March 2009.

Notes to the financial statements (continued)

16. Debtors

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Trade debtors	400,323	237,736	48	-
Less: Provision for impairment of receivables	(116)	(309)	-	-
	<u>400,207</u>	<u>237,427</u>	<u>48</u>	<u>-</u>
Amounts owed by Group undertakings	-	-	11,467	5,780
Amounts owed by related undertakings	-	25	-	25
Corporation tax	-	-	-	-
Deferred tax asset (see note 18)	263	456	269	220
Other debtors	857	2,595	29	7
Prepayments	12,584	3,710	1,408	973
Accrued income	70,019	102,246	966	419
	<u>483,930</u>	<u>346,459</u>	<u>14,187</u>	<u>7,424</u>

No analysis of the age of financial assets that are past due at the balance sheet date but not impaired is provided because the risk of exposure on these assets is considered to be immaterial to the financial statements. The carrying amounts of trade debtors and other receivables approximate to their fair values.

Trade and other receivables are predominantly non-interest bearing.

The carrying amounts of debtors are denominated in the following currencies:

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Pounds	413,171	264,143	7,772	6,690
US Dollars	69,806	72,494	394	420
Euros	931	9,775	306	314
Swiss Francs	22	47	5,715	-
	<u>483,930</u>	<u>346,459</u>	<u>14,187</u>	<u>7,424</u>

As of 14 April 2010, trade debtors of the Group with a carrying value of £125,000 (2009: £311,000) were provided for. The amount of the provision was £116,000 (2009: £309,000). The aging of these debtors is as follows:

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
1-10 Days	106	-	-	-
11-30 Days	-	125	-	-
30+ Days	10	184	-	-
	<u>116</u>	<u>309</u>	<u>-</u>	<u>-</u>

The debtors which have been provided for at the period end have either entered administration and have been fully provided for or are experiencing unexpected financial difficulty and it was assessed that not all of the debtor balance may be recovered.

During the period, debtors of the Group written off as uncollectible amounted to £71,000 (2009: £151,000). The Company did not write off any debtors as uncollectible during the period (2009: nil).

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtor mentioned above. Neither the Group nor the Company hold any collateral as security.

Notes to the financial statements (continued)

16. Debtors (continued) Group	14 April 2010	14 April 2010	31 March 2009	31 March 2009
	Charge / (credit) to profit & loss account £'000	Fair value asset / (liability) £'000	Charge / (credit) to profit and loss account £'000	Fair value asset / (liability) £'000
Derivative financial instruments	26,328	1,559	(37,331)	27,887
Sales and purchase commodity contracts	(2,828)	(2,635)	19,783	(5,463)
	<u>23,500</u>	<u>(1,076)</u>	<u>(17,548)</u>	<u>22,424</u>
Included in prepayments and accrued income		7,700		43,249
Included in accruals and deferred income		(8,776)		(20,825)
		<u>(1,076)</u>		<u>22,424</u>

Derivative financial instruments shown above generally relate to exchange traded commodity derivatives and over-the-counter contracts. Sales and purchase commodity contracts relate to open contracts that the Group have entered into (see note 27).

17. Creditors: amounts falling due within one year

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Bank loans and overdrafts	63,993	263,499	984	-
Other third-party loans	75	1,087	-	-
Trade creditors	63,508	25,511	637	175
Amounts owed to Group undertakings	-	-	6,376	1,522
Corporation tax	4,319	4,401	-	-
RTFO - current year obligation	4,871	-	-	-
Other taxes and social security	598,411	229,564	380	517
Other creditors	2,605	7,710	(25)	1,281
Accrued expenses	137,529	102,388	2,076	1,475
Deferred income	4,508	1,201	-	2
	<u>879,819</u>	<u>635,361</u>	<u>10,428</u>	<u>4,972</u>

The carrying amounts of trade creditors and other payables approximate to their fair values. Trade and other payables are predominantly non-interest bearing.

Bank loans and overdrafts

	Maturity	Group	
		14 April 2010 £'000	31 March 2009 £'000
Bank overdrafts:			
United Kingdom	On demand	959	150,356
Non United Kingdom	On demand	58,831	109,581
		<u>59,790</u>	<u>259,937</u>
Bank loans:			
United Kingdom	See below	4,203	3,562
		<u>63,993</u>	<u>263,499</u>

The bank loans shown above comprise two loans separate loans. The first loan undertaken by Greenergy Biofuels Limited, is repayable in quarterly instalments of £890,476 and is due to be repaid by 23 December 2010. Refer to note 25 for details of the guarantee provided over this loan. The second loan was taken out by Greenergy Terminals Limited and is repayable in quarterly instalments of £383,000 starting on 28 July 2010.

Notes to the financial statements (continued)

17. Creditors: amounts falling due within one year (continued)

Interest on the bank overdrafts is charged at a commercial margin above LIBOR (United Kingdom) and FED (Non-United Kingdom). The interest rate on the bank loan undertaken by Greenergy Biofuels Limited is 7.30% after the effect of the interest rate swaps discussed in note 27(c)(i). The interest rate on the bank loan undertaken by Greenergy Terminals Limited is 6.05% after the effect of the interest rate swaps discussed in note 27(c)(ii).

The carrying amounts of creditors are denominated in the following currencies:

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Pounds	714,659	402,414	8,571	3,752
US Dollars	164,461	226,376	1,849	1,203
Euros	669	5,719	8	17
Swiss Francs	30	852	-	-
	879,819	635,361	10,428	4,972

18. Provisions for liabilities

Group	Provision for plant dismantlement £'000	Deferred taxation £'000	Total £'000
At 1 April 2009	1,750	3,400	5,150
Provided during the period	-	1,810	1,810
At 14 April 2010	1,750	5,210	6,960

The dismantlement provision represents management's estimate of the costs involved in dismantling the Immingham biofuels plant at the end of its useful life and returning the site to the same state in which it was originally acquired. Management review the provision on an annual basis to ensure that the expected outflow of economic benefits is correctly provided for.

The elements of the deferred taxation provision are as follows:

	14 April 2010 £'000	31 March 2009 £'000
Accelerated capital allowances	(5,896)	(4,254)
Other short term timing differences	208	373
Losses and other differences	741	937
Net deferred tax liability	(4,947)	(2,944)
Deferred tax asset (note 16)	263	456
Deferred tax liability	(5,210)	(3,400)
Net deferred tax liability	(4,947)	(2,944)

Notes to the financial statements (continued)

19. Creditors: amounts falling due after more than one year

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Bank loans	5,632	2,671	-	-
Other third-party loans	225	300	-	-
	<u>5,857</u>	<u>2,971</u>	<u>-</u>	<u>-</u>

Bank loans

	Effective interest rate %	Maturity	14 April 2010 £'000	31 March 2009 £'000
Bank loans: United Kingdom	6.05%	2015	<u>5,632</u>	<u>2,671</u>

* includes the effects of related interest rate swap as discussed in note 27(c)(ii).

The bank loan shown above is a new facility undertaken in the period by Greenergy Terminals and is repayable in quarterly instalments of £383,000 starting on 28 July 2010.

Maturity of debt

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
In more than one year, but not more than two years	1,607	2,746	-	-
In more than two years, but not more than five years	4,250	225	-	-
	<u>5,857</u>	<u>2,971</u>	<u>-</u>	<u>-</u>

The amount in other third party loans above relates to the costs of commissioning of Greenergy Biofuels Immingham plant, due to be repaid by 31 March 2015. The amount is a fixed repayment of £75,000 per annum.

20. Called up share capital

Company	Company	
	14 April 2010 £'000	31 March 2009 £'000
Authorised		
967,376 ordinary shares of £1 each (2009: 967,376 shares)	967	967
32,624 non-voting ordinary shares of £1 each (2009: 32,624 shares)	33	33
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
121,000 ordinary shares of £1 each (2009: 121,000 shares)	121	121
32,624 non-voting ordinary shares of £1 each (2009: 32,624 shares)	33	33
	<u>154</u>	<u>154</u>

Other than the ability to vote at general meetings, the rights of ordinary and non-voting ordinary shareholders are identical.

Notes to the financial statements (continued)

20. Called up share capital (continued)

Details of outstanding share options awarded to Group employees including directors are set out below.

Date of grant	Date of expiry	Notes	Strike price £	Opening balance	Vested at opening	Balance of options remaining	Vested at closing
4 Sep 2000	3 Sep 2010		£6.00	4115	100%	4115	100%
18 Apr 2001	17 Apr 2011		£6.00	300	100%	300	100%
15 Apr 2002	14 Apr 2012		£6.00	550	100%	550	100%
21 Mar 2006	20 Mar 2016		£6.00	275	100%	275	100%
21 Mar 2006	20 Mar 2016		£100.00	3300	100%	3300	100%
21 Mar 2006	20 Mar 2016		£100.00	300	50%	300	100%
21 Mar 2006	20 Mar 2016		£200.00	3080	50%	3080	100%
21 Mar 2006	20 Mar 2016	1	£100.00	2500	0%	2500	0%
28 Feb 2008	27 Feb 2018		£750.00	2000	25%	2000	50%
28 Feb 2008	27 Feb 2018		£750.00	4452	0%	4452	50%

Notes

1. Options vest only if all rights to 2,500 of the options granted on 4 September 2000 are waived.

The following tables illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the period.

	2010 No.	2010 WAEP	2009 No.	2009 WAEP
Opening balance outstanding	20,872	£ 292.09	21,360	£ 302.55
Forfeited during the period	-	-	(488)	750
Closing balance outstanding	20,872	£ 292.09	20,872	£ 292.09
Closing balance exercisable	20,872	£ 292.09	20,872	£ 292.09

For share options outstanding as at 14 April 2010, the weighted average remaining contractual life is 5.31 years (2009: 6.31 years).

21. Reserves Group

	Profit and loss account £'000	Share premium account £'000	Revaluation reserve £'000
At 1 April 2009	40,327	24,817	(4,901)
Profit for the financial period	13,820	-	-
Dividends paid in the period	(2,774)	-	-
Writeback of revaluation reserve prior to impairment of available-for-sale financial asset	-	-	4,901
Exchange difference on translation of brought forward net assets of subsidiaries	(31)	-	-
Share based payments	319	-	-
At 14 April 2010	51,661	24,817	-

Notes to the financial statements (continued)

21. Reserves

Company	Profit and loss account £'000	Share premium account £'000	Revaluation reserve £'000
At 1 April 2009	3,611	24,817	(4,901)
Loss for the financial period	(718)	-	-
Dividends paid in the period	(2,774)	-	-
Writeback of revaluation reserve prior to impairment of available- for-sale financial asset	-	-	4,901
Share-based payments	319	-	-
At 14 April 2010	438	24,817	-

As permitted by section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The Company's loss for the financial period was £718,000 (2009: £3,248,000 profit).

For the period ended 14 April 2010, application of the Group's stock valuation policy resulted in a gain before tax of £1,013,000 (2009: £4,360,000 loss). Had the Group not departed from the requirements of SSAP 9, the consolidated profit and loss reserve would have been £47,510,000 (2009: £36,906,000) and the revaluation reserve nil (2009: £4,901,000). The application of the Group's stock valuation policy had no impact on the results and reserves of the Company.

22. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Operating leases which expire:				
within one year	-	3	10,083	2,071
within two to five years inclusive	127	256	7,949	11,985
in over five years	218	98	1,350	3,544
	345	357	19,382	17,600

23. Reconciliation of operating profit to net cash flow from operating activities

	14 April 2010 £'000	31 March 2009 £'000
Group operating profit	24,568	21,509
Depreciation of tangible fixed assets	3,680	2,764
Amortisation of intangible fixed assets	662	642
Impairment of available for sale assets	4,499	-
Share-based payments charge	319	308
Revaluation of stock and financial instruments	22,487	(16,927)
Increase in stocks	(69,647)	(42,915)
Increase in debtors	(173,207)	(4,202)
Increase in creditors	457,102	16,641
Net cash outflow from operating activities	270,463	(22,180)

Notes to the financial statements (continued)

24. Analysis of net debt	1 April 2009 £'000	Cash flow £'000	Exchange differences £'000	14 April 2010 £'000
Cash at bank and in hand	110,820	30,831	(31)	141,620
Bank overdrafts	(259,937)	200,147	-	(59,790)
Bank loans	(6,233)	(3,602)	-	(9,835)
Other third-party loans	(1,387)	1,087	-	(300)
	<u>(156,737)</u>	<u>228,463</u>	<u>(31)</u>	<u>71,695</u>

25. Contingencies

Greenergy Fuels Limited and Greenergy Biofuels Limited have given fixed and floating charges over all the assets of the respective Group Companies in favour of their principal bankers to secure the liabilities to such bankers.

The aggregate secured liabilities comprise:

	Group		Company	
	14 April 2010 £'000	31 March 2009 £'000	14 April 2010 £'000	31 March 2009 £'000
Bank loans and overdrafts	<u>69,625</u>	<u>266,170</u>	<u>984</u>	<u>-</u>

Greenergy International Limited has provided an unsecured guarantee in favour of the principal banker of Greenergy Biofuels Limited to secure the indebtedness due by Greenergy Biofuels Limited to such banker. The aggregate liability of Greenergy Biofuels Limited covered by this guarantee was £2,671,000 (2009: £6,233,000).

Greenergy Fuels Limited has also provided unsecured guarantees to the Dutch Collector of Taxes amounting to €904,000 (2009: €904,000).

26. Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party.

27. Nature and extent of risks arising from financial instruments

The directors have identified the following types of risk which may arise from the use of financial instruments.

Credit risk

The Group 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 Group 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 Group uses third party credit referencing agencies as an input into this process and monitors all trade debtor balances on a daily basis.

The counterparties involved in the Group's other financial instruments such as swaps, futures and fixed price sales and purchase contracts within the scope of FRS 26 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.

Credit risk from balances with banks and financial institutions is managed by Group Treasury. Investments of surplus funds are only made with approved counterparties who have a rating of 'A1' or higher.

Notes to the financial statements (continued)

27. Nature and extent of risks arising from financial instruments (continued)

Credit risk (continued)

Credit risk from balances with banks and financial institutions is managed by the Treasury team. Investments of surplus funds are only made with approved counterparties who have a rating of 'A1' or higher. The table below shows the credit rating and the utilisation of the credit facilities of the two primary lenders at the balance sheet date.

Group Counterparty	Rating	14 April 2010		31 March 2009	
		Credit facility £'000	Utilised £'000	Credit facility £'000	Utilised £'000
Barclays	A+	285,000	-	185,000	130,700
BNP Paribas	AA	304,010	46,962	182,405	108,286

Because of the processes detailed above, the directors believe there is no material exposure to credit risk on the Group's financial instruments at the balance sheet date.

Liquidity risk

The Group's treasury department constantly monitors the Group's cash position by maintaining up-to-date cash flow projections so that appropriate action may be taken to ensure financial liabilities are met as they become due. In addition, the Group aims to maintain a net current asset position. The directors therefore consider that the exposure to liquidity risk is low.

In managing its working capital requirements, the Group relies on both committed and uncommitted revolving facilities with which the uncommitted facility could be withdrawn at any time. The Group has been trading in this way on the uncommitted facility with the same principal bankers for the past 18 years. Given the long standing nature of this relationship, the bankers' willingness across this period to expand the facilities in light of the growth in the Group's working capital requirements and verbal assurances received from the bankers, the directors are satisfied that these facilities will continue to be available to the Group.

Market risk

This area can be further subdivided into fuel product price risk, foreign exchange risk and interest rate risk which are addressed separately below.

a) Fuel product price risk

Fuel product prices are subject to international supply and demand, which are themselves particularly dependent on political climates throughout the world. The resulting risk of product price fluctuations impacting the Group's future cash flows is therefore high.

The Group has developed comprehensive internal control processes and hedging mechanisms to minimise this inherent risk. The objective of these mechanisms is to match the Group's priced physical positions (generated from spot and term contracts entered into with suppliers and customers) with equal and opposite derivative positions. In order to achieve this, the Group's risk management department analyses the priced position for each product type throughout each day. Traders use this information to identify the most appropriate derivative for hedging purposes.

The main types of hedge transaction which the Group enters into are as follows:

i) Exchange-traded commodity derivatives

Typically in the form of futures and options traded on a recognised exchange such as the International Petroleum Exchange or the New York Mercantile Exchange. The fair value of these derivatives changes with movements in the underlying commodity price. The Group is generally obliged to make margin calls to the exchange where the fair value of the instrument is in favour of the exchange. The Group generally closes out any futures contracts prior to crystallisation.

At 14 April 2010, if the closing price for each of the Group's exchange-traded commodity derivatives had been 1 US Dollar per metric tonne lower with all other variables held constant, consolidated post tax profit for the period would have been £9,000 (2009: £47,000) higher.

Notes to the financial statements (continued)

27. Nature and extent of risks arising from financial instruments (continued)

Market risk (continued)

ii) Over-the-counter ('OTC') contracts

Typically in the form of commodity swaps. OTC contracts are negotiated between two parties and are not traded on an exchange. Swaps are entered into in respect of specified indices and time periods. The amount payable under such instruments varies directly with the quote of those indices over the specified period. The Group is generally obliged to make margin calls to the counterparty where the fair value of the instrument is in favour of the counterparty.

At 14 April 2010, if the closing price for each of the open OTC contracts had been 1 US Dollar per metric tonne lower with all other variables held constant, consolidated post tax profit for the period would have been £20,000 (2009: £115,000) higher.

iii) Sales and purchase contract embedded hedges

Typically in the form of fixed price spot and term physical contracts. The fair values of the hedges embedded in fixed price sales and purchase contracts for the delivery of specified quantities of a commodity at a determined future date are calculated by reference to the difference between the market index price of the relevant commodity at the balance sheet date and at the contract pricing date(s).

At 14 April 2010, if the market price indices of the relevant commodities for the total priced physical position had been 1 US Dollar per metric tonne lower with all other variables held constant, consolidated post tax profit for the period would have been £125,000 (2009: £171,000) lower.

b) Foreign currency exchange risk

The Group purchases fuel products mainly in US Dollars and Euros. Because the international oil markets generally price in US Dollars, and the majority of the Group's UK customers wish to purchase fuel products in Pounds Sterling, there can be a significant foreign currency exchange risk inherent in this aspect of the Group's business. In order to minimize the financial effect of this risk, the Group looks to ensure that at all times, the financial assets denominated in a particular currency match the financial liabilities denominated in the same currency. Where product is purchased and sold in the same currency, no foreign exchange exposure exists.

Where the Group's stock is denominated in US Dollars and a sale is priced in Pounds Sterling, a net US Dollar financial liability is generated, resulting in a potential foreign exchange exposure. Where purchases and sales are priced in different currencies, the Group's treasury department buys or sells currency to balance the assets and liabilities by currency, thus eliminating this transactional foreign exchange risk.

Exchange risk on the Group's third party term loan denominated in Euro is covered by structured forward rate agreements designed to match the repayment schedule of the loan.

As a further control, balance sheets for each of the Group's major currencies are prepared on a monthly basis and any surplus assets or liabilities are hedged as appropriate.

c) Interest rate risk

The Group's main tangible fixed assets act as security for a two separate term loans. Interest on these loans are charged at variable rates related to LIBOR. The interest rate risk inherent in the movement of LIBOR has been removed by entering into two interest rate swaps covering the value of the loan.

(i) Interest rate swap - Greenergy Biofuels Limited

The effect of the interest rate swap has been to convert the loan into debt at a fixed rate of 7.30% per annum.

(ii) Interest rate swap 2 - Greenergy Terminals Limited

The effect of the interest rate swap has been to convert the loan into debt at a fixed rate of 6.05% per annum.

Interest on the Group's deposits/overdrafts is credited/charged on a daily basis based on LIBOR plus a commercial margin. The directors consider that there is no material exposure to interest rate risk on the Group's financial instruments at the balance sheet date.

Notes to the financial statements (continued)

28. Capital Management

The board defines capital as the total equity of the Group, and its objective for managing capital is to maintain a solid capital base in order to preserve the confidence of the Group's investors and creditors and to sustain future development of its businesses.

Group members are subject to various banking covenants on their financing facilities. These generally take the form of a requirement to meet a variety of financial ratio targets. Such targets are monitored as part of the regular reporting processes for the entities concerned.

One of the covenants places a restriction on the level of dividend which Greenergy International Limited's subsidiary Greenergy Fuels Limited may distribute.

A variety of financial modelling techniques are employed in the appraisal of potential capital expenditure projects and board approval is required before such projects are entered into.

There were no changes in the Group's approach to capital management during the period.

Notes to the financial statements (continued)

29. Related party transactions

Name of related party	Relationship	Material transactions	Value of transactions 14 April 2010 £'000	Value of transactions 31 March 2009 £'000	Balance at period end 14 April 2010 £'000	Balance at year end 31 March 2009 £'000
AA&C Management	A W Owens is a director of and has an interest in the share capital of this company	Subcontracted marketing	-	63	-	-
Additionality Limited	A W Owens is a director of and has an interest in the share capital of this company	Sale of fuels	(25)	1	-	25
Mutiny Limited	A W Owens is a director of and has an interest in the share capital of this company	Subcontracted I.T.	9	-	-	-
Biofuel Resources SA	D A Rees is a director of and has an interest in the share capital of this company	Consultancy fees	119	-	119	-