

Javelin Global Commodities (UK) Ltd
Financial Statements for the Year Ended
31 December 2023

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COMPANIES HOUSE

CORPORATE INFORMATION

Directors

Mr Peter Michael James Bradley
Mr Spencer Bradley Sloan

Registered Office

27 Eccleston Place
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SW1W 9NF
United Kingdom

General Counsel and Company Secretary

Mr Michael John Foster

Bankers

Barclays Bank
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Auditors

Ernst & Young LLP
1 More London Place
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SE1 2AF
United Kingdom

STRATEGIC REPORT

The directors present the Strategic Report of Javelin Global Commodities (UK) Ltd (the 'Company') for the year ended 31 December 2023.

BUSINESS REVIEW

The Company was incorporated on 13 March 2015. The principal activity of the Company is the physical trading and marketing of commodities, together with the management of supply chain logistics and operations involved in the movement of physical cargoes. The Company also trades financial derivative contracts in related markets. Trading activities of the Company commenced in June 2015.

For the year ended 31 December 2023, the Company earned a profit after taxes of US\$109,165 (in '000).

KEY PERFORMANCE INDICATORS

The Companies Act 2006 requires directors to disclose the Company's key performance indicators (KPIs). The KPIs of the Company for the year ended 31 December 2023 are, in the opinion of the directors, satisfactory and as follows:

	Year Ended 31 December 2023 (\$'000)	Year Ended 31 December 2022 (\$'000)
Gross profit	255,969	734,536
Profit before taxation	143,935	513,157
Profit for the year	109,165	416,938
Available cash	647,814	675,457
Other financial assets	288,249	9,742

The Company noted exceptional market volatility from the war in Ukraine which produced elevated gross profit in 2022. While strong performance continued, gross profit declined with reduced market volatility in 2023. A highlight of the year was the Company's ability to strengthen the balance sheet through cash generation. This cash has been invested in various marketable securities and is disclosed in Other Financial Assets.

PRINCIPAL RISK AND UNCERTAINTIES

Physical and financial trading requires prudent management of market, credit, operations and liquidity risks. The directors are committed to ensuring the Company operates adequate and effective risk management processes that evaluate and manage all risks involved in its activities.

Controlling and Risk Management functions have been created and adequate IT systems have been developed internally to manage these risks. The Company is subject to group-wide limits in respect of market risk and credit exposure, which are imposed by the management board of Javelin Global Commodities Holdings LLP ("Ultimate Parent"). Javelin Global Commodities Holdings LLP and its subsidiaries are hereby collectively referred to as "the Group".

Market risk is calculated by reference to industry standard metrics (e.g. VaR) and monitored through daily mark to market reporting. Credit exposure to individual counterparties is measured by reference to both delivered unpaid and maximum potential exposure (MPE) to a counterparty over the term of a transaction, with limits set by reference to the assigned credit rating of the counterparty. Any planned increase to or breach of credit or risk limits requires reference to the management board.

Trading activities expose the Company to changes in market conditions including (i) changes in the price of commodities and (ii) changes in the cost of transporting commodities. Commodity prices and transportation costs are influenced by many external factors including supply and demand, production costs in major producing countries and global political and economic conditions. The Company manages market risk through financial swaps, and other derivative instruments to ensure compliance with the risk limits imposed by the management board.

Currency risk exists, to a small extent, in assets and liabilities of the Company that are not denominated in USD. The commodity markets in which the Company operates are typically denominated in USD which limits the Company's potential currency exposure.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISK AND UNCERTAINTIES (CONTINUED)

Financial assets (e.g. receivables, derivatives instruments) can expose the Company to a concentration of counterparty credit and performance risk. The Company monitors counterparty credit quality and seeks to reduce risk of customer non-performance through credit support where appropriate. The Company makes use of credit enhancement products such as letters of credit, credit insurance, bank guarantees and prepayments when deemed necessary.

The Company is exposed to operational risks such as loss of product and third-party damages claims that result from the transportation and handling of commodities. The Company has insurance in place typical of the industry to cover these risks.

Liquidity of the Company is managed at the Group level. The funding for the Group was secured by provision of capital by the shareholders, retained earnings, third party working capital facilities, margin financing arrangements, revolving credit facilities and committed parent company credit lines.

Key controls exist at the Company to ensure that regulatory requirements are adhered to. Legal and regulatory risks are managed by the Company's internal and external legal counsel. Since its incorporation, the Company has implemented key policies in relation to Anti-Bribery and Corruption, Sanctions, Market Abuse, Corporate Social Responsibility and 'Know Your Customer'. It has also obtained legal memoranda in relation to the Company's regulatory status. The Company maintains a careful watch on impending regulatory changes likely to affect commodity trading.

EMPLOYEES

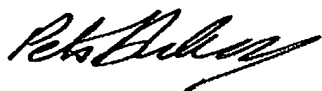
The Company employs trading and operations professionals and is primarily responsible for the Group's physical trading activities in the international market. The Company's physical business involves the trading and marketing of commodities together with the management of supply chain logistics and operations involved in the movement of physical cargoes. The Company also trades financial derivatives in related markets.

Foreign subsidiaries of the Company include Javelin Global Commodities (US) LP, Javelin Global Commodities (AU) Pty Ltd, Javelin Global Commodities (CH) GmbH, Javelin Global Commodities (CAN) Ltd, Javelin Global Commodities Trading India Private Limited and Javelin Global Commodities (SG) Pte. Ltd. The foreign subsidiaries employ Javelin's global marketing team and provide support functions.

The directors place high importance on the investments in its employees and ensure that employees are kept informed on matters affecting them. The Company operates a compensation policy clearly documented and linked to the profitability of the business.

Please also refer to the Directors' Report for the Section 172 Statement.

Approved by and signed on behalf of the Board of Directors,



Peter Bradley

Director and Chief Executive Officer

24 June 2024

DIRECTORS' REPORT

The directors present their Directors' Report of Javelin Global Commodities (UK) Ltd (the 'Company') for the year ended 31 December 2023.

DIRECTORS

The directors holding office during year and to date of this report were:

Peter Michael James Bradley

Spencer Bradley Sloan

OUTLOOK

For the year ended 31 December 2023, the Company earned a profit after taxes of US\$109.4 million [2022: \$416.9 million]. The Company believes the provision of capital by the shareholders, access to third party working capital facilities and committed parent company credit lines put the Company in a strong financial position to support the business's trading activities.

DIVIDENDS

The Company declared a dividend of \$6.5 million during the current year [2022: \$35.8 million].

FUTURE DEVELOPMENT

The Company will primarily look to expand its presence in the physical commodities market through diversification of supply, end customers and geographic presence. Many of the targeted growth areas are focused on supplying transitional commodities and providing long term solutions to support our clients with their low carbon commodity needs. Javelin's Green Strategy includes opportunities in Green Carbon, Renewable Fuels and Renewable Power.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are disclosed in the Strategic Report and Note 8 of these financial statements.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of stakeholders as a whole. In doing so, the directors must have regard (among other matters) to:

- The likely consequences of any decision in the long term.
- The interest of the Company's employees.
- The need to foster the Company's business relationships with producers, clients and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly towards all stakeholders of the Company.

The directors determine the strategic objectives and policies of the Company to best support the delivery of long-term value, providing overall strategic direction within an appropriate framework of rewards, incentives and controls. The following paragraphs summarises how the directors fulfil their duties:

Risk Management

As we grow our business, the Company is exposed to different and potentially more complex risks. It is therefore vital that we effectively identify, evaluate, manage and mitigate risk and that we continue to evolve our approach to risk management. For details of our principal risks and uncertainties, and how we manage our risk, please refer to the Strategic Report and Note 8 of these financial statements.

DIRECTORS' REPORT (CONTINUED)

SECTION 172 STATEMENT (CONTINUED)

Our People

The Company is committed to being a responsible business. Our behaviour is aligned with the expectation of our people, clients, producers, communities, and society as a whole. For our business to succeed we need to manage our people's performance and development whilst ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour, so we achieve our goals in the right way. Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive and ensure our compensation structure is updated continuously to reflect changes in the market. The Company has initiated an employee share scheme to demonstrate the importance of our employees. The health, safety and well-being of our employees is one of the primary considerations determining the way our Company operates.

Business Relationships

Our success as a Company is driven, in large part, by our ability to develop and maintain strong client relationships. We value the long-term relationships we have with producers, consumers and others in the commodity value chain. Our commitment to our clients is evident in the often-long term nature of our marketing, offtake, sales, and financing arrangements. It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the Company and its suppliers, provided that all relevant trading terms and conditions have been complied with.

Community and Environment

The Company's approach is to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us. Serving the hardest to abate sectors Javelin is uniquely positioned to play a central role in supplying transitional commodities and providing long term solutions to support our clients with their low carbon commodity needs. The Company is addressing our impact on Community and the Environment through the developments of our Green business, where we are focusing on 3 key strategic pillars; (i) Green Carbon: low to negative carbon products from organic materials for the steel, land, agriculture, power and industrial sectors, ii) Renewable Projects: developing wind, solar and battery storage and (iii) Renewable Fuels: low to zero emission fuels from renewable sources for the transportation, steel and industrial sectors.

Javelin is committed to becoming a global innovator and supplier of affordable, sustainable, and commercially viable low to zero and even carbon negative products to tackle some of industries hardest CO2 abatement challenges. Supporting our clients in the evaluation and execution of new strategies, technologies, and projects to deliver tangible products and solutions. In 2023 Javelin arranged the first ever bulk shipments of US-produced biomass pellets into Poland to support the energy transition of Poland's existing coal power fleet whilst preserving Polish jobs and underpinning renewable base load power.

Javelin is determined to bring a new approach to renewable project development, a holistic and partnership approach which is particularly focused on supporting the positive transitioning of mine lands to accelerate its repurposing, mitigate the economic impacts to the local mining communities, supporting the environment and energy transition. Our partnership approach has identified over 4GW of Wind, Solar and Battery Energy Storage opportunities across the US. Javelin has progressed the first handful of these projects to interconnection application for grid approval. Fundraising and offtake discussions are well progressed, facilitating Javelin's move to develop, own and operate these projects.

The world needs alternative fuels and as a market leader in moving bulk, Javelin recognizes the challenges faced by our customers in not only identifying the new fuels but in delivering the new supply chains. Drawing upon the best available technologies, Javelin continues to explore hydrogen, ammonia, methanol and synthesis fuels to bring zero to low carbon fuels to the power, steel, transport and industrial sectors.

Stakeholders

The Board is committed to openly engaging with our stakeholders, as we recognise the importance of continuing effective dialogue, whether with our employees, investors, or other stakeholders. It is important to us that stakeholders understand our strategy and objectives, so these must be explained clearly, feedback heard, and any issues or questions raised properly considered.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INDEMNITIES

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Qualifying third party indemnity provisions in the form of a Directors' and Officers' insurance policy are in place for the benefit of the Company's directors and they remain in force at the date of this report.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Company did not make either charitable or political donations.

SUBSEQUENT EVENT REVIEW

Events subsequent to 31 December 2023 that would materially affect the financial statements are included at Note 33.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing these financial statements. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company has sufficient cash and liquidity to fund its operations for 12 months from the date of issuing these financial statements. The Company has made a profit of \$109.2 million [31 December 2022: \$416.9 million] and has positive reserves of \$855.9 million [31 December 2022: \$753.3 million]. Subsequent to year-end, the Company continues to be profitable, and the directors anticipate that the Company will be profitable in the foreseeable future.

At 31 December 2023 and to the date of this report, the Company held significant cash and cash equivalents to which it has free access. In projections that extend a year from approval of these financial statements, the Company would still have sufficient funds to continue as a going concern.

APPOINTMENT OF AUDITOR

A resolution to reappoint Ernst & Young LLP will be placed before the members at the Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the Directors' Report are listed above. Having made enquiries of fellow directors and the Company's auditor, each of the directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is information needed by the auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors' Report comprising pages 4 to 6 including the sections of the financial statements referred to in these pages, has been approved by the Board and signed on its behalf by,



Peter Bradley

Director and Chief Executive Officer

24 June 2024

DIRECTORS' ENERGY AND CARBON REPORT

The directors report the Company's sources of GHG emissions and energy usage as required by the Streamlined Energy and Carbon Reporting (SECR) frameworks. The report presents the Company's GHG emissions between 1 January to 31 December 2023, the Company's financial year.

The reported numbers include all GHG emissions generated from the Company's business activities. The GHG emissions were consolidated according to a control approach. Thus, all GHG emissions and removals over which the Company has financial or operational control were taken into account.

The Company identified all GHG. The categories are outlined as follows:

Scope 1: Direct GHG Emissions are emissions issued from sources directly controlled by the Company.

Scope 2: Energy Indirect Emissions are emission issued from electricity production, or from the imported heat or vapor consumed in buildings and or equipment operation provided by an external entity.

Scope 3: Other indirect GHG Emissions are emissions issued from the Company activities but from sources controlled by external enterprises.

The following table provides a breakdown of the Company's GHG emissions for the year ended 31 December 2023. The Company does not have any Scope 1 emissions and are not currently disclosing Scope 3 emissions. Emissions were calculated on the GHG Protocol Corporate Accounting and Reporting Standard and emissions factors from the UK Government's HG conversion factors. Computation is based on energy statements provided by our provider.

In April 2023 we moved into new offices for which we have contracted a renewable energy supply. This will move our subsequent UK Scope 2 emissions base to 0tCO₂e going forward.

	2023	2022
Scope 2 – kg CO ₂ e	15,701	41,233
<i>Emissions from electricity purchased for own use</i>		
Total kg CO ₂ e	15,701	41,233
Full-time employee headcount (UK based)	107	85
Intensity Metric:	146.74	485.09
tCO ₂ e / full-time employee		
Total UK Energy Consumption (kWh)	75,827	194,194

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the comprehensive income of the Company for that period. In preparing these financial statements, the directors are required to:

- Present fairly the financial position, financial performance and cash flows of the Company;
- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimate and Errors and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- In respect of the Company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- Provide additional disclosure when compliance with the specific requirement of IFRS's is insufficient to enable user to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The Directors' Responsibility Statement has been approved by the Board and signed on its behalf by,



Peter Bradley

Director and Chief Executive Officer

24 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAVELIN GLOBAL COMMODITIES (UK) LTD

Opinion

We have audited the financial statements of Javelin Global Commodities (UK) Ltd ('the Company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 33, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards. In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAVELIN GLOBAL COMMODITIES (UK) LTD (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAVELIN GLOBAL COMMODITIES (UK) LTD (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, UK adopted International Accounting Standards, the relevant tax compliance regulations in the United Kingdom, UK General Data Protection Regulations, Bribery Act 2010 and Anti Money Laundering legislation.
- We understood how the Company is complying with those frameworks by performing inquiries of those charged with governance, management and those responsible for legal and compliance procedures. We corroborated our inquiries through review of the following documentation:
 - Board minutes held during the year, up to auditor's report date; and
 - Employee handbook setting out the key principles and requirements of all staff in relation to compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering unauthorised trading and the risk of improper recognition of realised revenue presented within net trading income through management override of controls to be fraud risks. Based on this, we carried out substantive procedures over derivative transactions by tracing to source documentation along with obtaining independent confirmations and assessing the valuation of derivatives on a sample basis. We incorporated data analytics over the population of revenue presented in net trading income and further performed supplemental testing of journal entries focusing on high-risk manual postings. For selected realised revenue transactions, we carried out substantive procedures by tracing to source documentation.
- Based on this understanding, we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved, for any potential noncompliance matter, evaluating management's assessment and involving EY specialists, where appropriate. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with applicable requirements.

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

Use of our report

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

Ernst & Young LLP

Kiran Jamil (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

24 June 2024

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 \$'000	2022 \$'000
Net trading income	9	240,875	459,351
Other revenue	10	1,195,735	969,495
Other cost of sales	11	(1,180,641)	(694,310)
Gross Profit		255,969	734,536
Administrative expenses	12	(105,385)	(198,331)
Impairment recovery		-	3,214
Other income	13	2,458	1,342
Operating profit		153,042	540,761
Finance costs	14	(52,557)	(38,032)
Finance income	15	43,450	10,428
Profit before tax from continuing operations		143,935	513,157
Income tax expense	18	(34,770)	(96,219)
Profit for the year from continuing operations		109,165	416,938

Profits for the year are from continuing operations and are wholly attributable to the parent company.

The Company had no other comprehensive income in 2023 and 2022.

The notes on pages 17 to 51 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION**As at 31 December 2023**

	Notes	2023 \$'000	2022 \$'000
ASSETS			
Non-current assets			
Intangible assets	20	596	795
Property, plant and equipment	19	9,543	14,457
Investment in subsidiaries	22	61,063	61,059
Note receivables	25	2,170	2,170
Other non-current assets	8	94,187	6,719
Group financing	31	-	6,417
Derivative financial instruments	7	5,475	28,862
		<u>173,034</u>	<u>120,479</u>
Current assets			
Inventories	23	600,942	526,553
Trade and other receivables	24	348,478	310,305
Note receivables	25	-	3,116
Group financing	31	62,486	20,010
Prepayments		16,108	23,892
Other current assets	8	202,479	9,742
Derivative financial instruments	7	183,045	655,191
Cash and cash equivalents	26	647,814	675,457
		<u>2,061,352</u>	<u>2,224,266</u>
Total Assets		<u>2,234,386</u>	<u>2,344,745</u>
LIABILITIES			
Non-current liabilities			
Trade and other payables	28	7,678	-
Other non-current liabilities	21	1,662	585
Loans and borrowings from third parties	29	-	3,208
Loans and borrowings from Group entity	29	-	25,000
Derivative financial instruments	7	1,410	6,159
		<u>10,750</u>	<u>34,952</u>
Current liabilities			
Trade and other payables	28	742,089	771,526
Tax payable		27,819	103,463
Other current liabilities	8	31,142	110,369
Loans and borrowings from third parties	29	453,251	321,928
Loans and borrowings from Group entity	29	26,000	74,652
Derivative financial instruments	7	87,396	174,553
		<u>1,367,697</u>	<u>1,556,491</u>
Total Liabilities		<u>1,378,447</u>	<u>1,591,443</u>
Net Assets		<u>855,939</u>	<u>753,302</u>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	27	10,001	10,001
Share premium	27	9,620	9,620
Retained earnings	27	836,318	733,681
Total Equity		<u>855,939</u>	<u>753,302</u>

The notes on pages 17 to 51 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2023

The financial statements were authorised for issue by the Board of Directors on 24 June 2024 and were signed on its behalf by



Peter Bradley
Director and Chief Executive Officer
24 June 2024

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Notes	Share Capital	Share Premium	Retained Earnings	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2022	27	10,001	9,620	352,543	372,164
Profit for the year		-	-	416,938	416,938
Dividends		-	-	(35,800)	(35,800)
Balance at 31 December 2022	27	10,001	9,620	733,681	753,302
Profit for the year		-	-	109,165	109,165
Dividends		-	-	(6,528)	(6,528)
Balance at 31 December 2023	27	10,001	9,620	836,318	855,939

The notes on pages 17 to 51 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	1 January to 31 December 2023 \$'000	1 January to 31 December 2022 \$'000
Operating Activities			
Profit before tax		143,935	513,157
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		20,544	18,111
Net interest expense		9,107	27,604
Changes in:			
Inventories		(74,389)	(253,079)
Trade and other receivables		(35,334)	116,313
Prepayments		7,784	(12,361)
Other assets		6,928	(6,681)
Derivative financial instruments		403,627	(472,843)
Trade and other payables		(24,263)	418,771
Other current liabilities		(70,505)	59,731
Cash generated from operating activities		387,434	408,723
Interest paid		(48,044)	(33,902)
Interest received		35,839	7,149
Income tax paid		(112,422)	(36,845)
Net cash flows from operating activities		262,807	345,125
Investing activities			
Loan repayment / (issuance)		(32,943)	(1,353)
Purchase of property, plant and equipment		(999)	-
Purchase of investments		(862,410)	-
Disposal of investments		580,049	-
Investment in subsidiaries		(4)	(38,000)
Net cash flows used in investing activities		(316,307)	(39,353)
Financing activities			
Proceeds on borrowings		54,463	134,455
Repayment of leasing liabilities		(22,078)	(21,453)
Dividend distribution		(6,528)	(35,800)
Net cash flows from financing activities		25,857	77,202
Net increase in cash and cash equivalents		(27,643)	382,974
Cash and cash equivalents, beginning of year		675,457	292,483
Cash and cash equivalents, end of year	26	647,814	675,457

The notes on pages 17 to 51 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Corporate Information

These financial statements reflect the financial performance and position of Javelin Global Commodities (UK) Ltd (the 'Company') for the year ended 31 December 2023. The Company is a private company limited by shares incorporated and domiciled in the United Kingdom of Great Britain and Northern Ireland. The registered office is located in London, United Kingdom. The Company was incorporated on 13 March 2015.

The principal activity of the Company is the physical trading and marketing of commodities together with the management of supply chain logistics and operations involved in the movement of physical cargoes. The Company also trades financial derivative contracts in related markets. Information on the Company's structure is provided in Note 6. Information on other related party relationships of the Company is provided in Note 31.

2. Basis of preparation

The financial statements of the Company are prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets, liabilities and inventories that are measured and revalued at fair value at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in US Dollars (\$), the functional currency of the Company, and all values are rounded to the nearest thousand (\$000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue as a going concern.

3. Accounting policies

a) Accounting standards adopted

The accounting policies applied by the Company are consistent with those of the previous financial year except for the adoption of the below. The Company has not early adopted any standards, interpretation or amendments that have been issued but are not yet effective, information on these standards is provided in Note 32.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

a) Accounting standards adopted (continued)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Pillar two legislation has been enacted or substantively enacted in the jurisdiction where the Company operates, and the legislation will be effective for the Company's financial year beginning 1 January 2024.

The Ultimate Parent Entity (UPE) identified in the Javelin Group Structure is Javelin Global Commodities Holdings LLP (The Parent). The Parent is resident in the UK, a jurisdiction which will be implementing the IIR and therefore the potential for an IIR top up tax liability under Pillar Two exists within the Group. The UPE is given priority for applying the IIR rule for top up taxes under Pillar II rules. If the UPE is located in a jurisdiction that has not implemented the IIR, then responsibility for its application can fall on another entity within the Group structure.

The Company, for the purpose of assessing pillar two exposure, has been identified as a Constituent Entity (CE) of the Group – an entity within the Group which is subject to the Pillar Two rules. The GLoBE income of the Company will be included with all other CEs as part of the Groups UPE assessment of ETR. This assessment will be carried out on a jurisdictional basis and any potential liability to top up taxes will be recognised by the Group.

b) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on the current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

b) Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

c) Fair value measurement

The Company measures financial instruments such as derivative contracts, at fair value at each reporting date. Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are summarised in the following notes:

- Disclosures for valuation methods (Note 3), significant estimates and assumptions (Note 4)
- Quantitative disclosure of fair value measure hierarchy (Note 7)
- Financial instruments, including those carried at amortised cost (Note 8)

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable input)

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

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

The carrying value of cash and cash equivalents, accounts receivables, margining cash, notes receivable and accounts payable approximate fair value due to the short-term nature of these investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

d) Net trading income

Net trading income is attributable to the Company's main business. The Company undertakes significant activities which, for the purposes of disclosure in the financial statements of the Company have been classified as 'trading'. This is further described in sub-note I.

All commodity contracts under IFRS 9 and derivative financial instruments entered into by the Company as part of its bulk trading activities are recognised in the financial statements on the date of trading. Net trading income includes realised gains/(losses) on all settled contracts. All open contracts are included at fair value and unrealised gains and losses are recognised in the net trading income.

e) Other revenue recognition

A breakdown of other revenue is disclosed in Note 10 to the financial statements.

Marketing services

Revenue from marketing services is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Time charter services

Revenue from time charter services is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Commodity sales

Revenue from commodity sales is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Commodity sales that are recorded as other revenue relate only to the portion that is determined not to be readily convertible to cash and therefore not measured at fair value on recognition.

f) Interest

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in comprehensive income, using the effective interest method.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

g) Taxes (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside comprehensive income is recognised outside comprehensive income. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income ('OCI') or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the exchange rate prevalent for the month in which the transaction occurred.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate prevalent for the month in which the initial transactions occurred. Non-monetary items measured at fair value in a foreign currency are also translated using the exchange rate prevalent for the month in which the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

i) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All other repair and maintenance costs are recognised in comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

k) Intangible assets

The Company made upfront payments to purchase licences and develop trading systems which are measured at cost on initial recognition.

The useful life of intangible assets is assessed as finite.

An intangible asset with finite life is amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

	<i>Licenses</i>
Useful lives	Finite Life (5 years)
Amortisation method used	Amortised on straight-line basis over the period of license
Internally generated or acquired	Acquired

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments include commodity contracts such as forward purchase and sale contracts. The majority of the Company's commodities contracts form part of the Company's trading activities and are recorded at fair value. Assets are recorded in derivative financial instrument assets, and liabilities are recorded in other derivative financial instrument liabilities. Changes in fair value are recognised in the statement of comprehensive income in net trading income in the period of change.

Derivative instruments, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when the Company becomes a party to the contractual provision of the instrument and are subsequently re-measured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotation or using models and other valuation techniques, the key inputs include current market and contractual prices for the underlying instrument time to expiry, yield curves, volatility of the underlying instrument and counterparty risk.

The Company utilises derivative financial instruments to hedge its material market risk exposures, primarily related to commodity price movements. Commodity derivative contracts may be utilised to hedge against commodity price risk for physical purchase and sales contracts, including inventory. Commodity swaps and other derivative instruments are used to manage price and timing risks in conformity with the Company's risk management policies.

The Company did not apply hedge accounting in the current year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

1) Financial instruments (continued)

(i) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component and investments in non-complex debt instruments, the Company initially recognizes the financial asset at its fair value plus, transactions costs. Trade receivables are measured at the transaction price determined under IFRS 15. Investments in non-complex debt instruments are measured at amortised cost.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases and sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on trade date.

Subsequent measurement

The Company measures financial assets at amortised cost if the financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Financial assets at amortised cost are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised costs are trade receivables.

The Company measures financial assets at fair value through OCI if the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has no financial assets at fair value through OCI.

The Company measures financial assets at fair value through profit and loss if the financial is held for trading, designated at initial recognition at fair value through profit or loss, or the financial assets mandatorily required to be measured at fair value. Financial asset are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. The Company's financial assets at fair value through profit or loss are derivative instruments.

Derecognition

A financial asset is primarily derecognised when the rights to receive the cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third under a 'pass-through' arrangement and either the Company has transferred substantially all the risk and rewards of the asset or the Company has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

Impairment

The Company recognises an allowance for expected credit losses (ECLs). The Company applies a simplified approach in calculating ECLs and recognises a loss allowance based on the expected rate of default at each reporting date. This is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

l) Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. The Company's financial liabilities at fair value through profit or loss are derivative financial instruments.

Financial liabilities classified as loans and borrowings or payables are subsequently measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Notes and trade receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loan and receivables comprise note receivables and trade and other receivables.

n) Inventories

The Company's inventory consists of commodities held for trading. The Company is a commodity trader and thus the company's inventory is primarily measured at fair value less costs to sell with the change in fair value recognised in net trading income in the period of the change. For inventory not measured at fair value, valuation is the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Inventory cost includes both the commodity and associated freight. Inventory allocation is on a weighted average cost basis.

o) Working capital financing

The Company utilises an uncommitted working capital financing facility with various banks. Drawings in the form of loans are provided against eligible receivable or inventory collateral of which the Company provides a general lien on collateral receivable or inventory to the financing bank. Drawings on the facility are short term and measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

3. Accounting policies (continued)

p) Investment in subsidiaries

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

q) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and the statement of cash flows comprise cash at banks and in hand and investments which are highly liquid, readily convertible to cash and subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

r) Going Concern

As noted in the Directors' Report, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing these financial statements. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company has sufficient cash and liquidity to fund its operations for 12 months from the date of issuing these financial statements. The Company has made a profit of \$109.1 million [31 December 2022: \$416.9 million] and has positive reserves of \$855.9 million [31 December 2022: \$753.3 million]. Subsequent to year-end, the Company continues to be profitable, and the directors anticipate that the Company will be profitable in the foreseeable future.

At 31 December 2023 and to the date of this report, the Company held significant cash and cash equivalents to which it has free access. In projections that extend to a year from approval of these financial statements, the Company would still have sufficient funds to continue as a going concern.

4. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgements

Classification of Financial Instruments

A contract to buy or sell commodities is not in the scope of IFRS 9 unless it can be settled net in cash or another financial instrument, or by exchanging financial instruments, include the following ways:

(i) when the terms of the contract permit either party to settle it net in cash or another financial instrument or by exchanging financial instruments;

(ii) when the Company has a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instruments (whether with the counterparty, by entering into offsetting contracts or by selling the contract before its exercise or lapse);

(iii) when, for similar contracts, the Company has a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short term fluctuations in price or dealer's margin; and

(iv) when the underlying commodity is readily convertible to cash.

The Company applies judgment to determine whether contracts to buy or sell commodities meet the definition of a derivative and to determine appropriate presentation and classification of transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

4. Significant accounting judgements, estimates and assumptions (continued)

Judgements (continued)

IFRS 9 Classification in relation to Sanctioned Balances

The Company entered into a number of commodity contracts (the "Affected Contracts") which were due to be performed during FY23. The relevant counterparty was designated under various sanctions regimes, including the UK Russian Sanctions Regulation 2019. The Company suspended and later cancelled performance under the Affected Contracts, in reliance on the terms of the Affected Contracts relating to sanctions. The counterparty has alleged that a change of ownership occurred and that they were not a designated person at the relevant times and, accordingly, disputes the Company's position with regard to the Affected Contracts. The Company does not have sufficient information to make a reasonable assessment of the accuracy of alleged change in ownership or its impact on the Affected Contracts. In the ordinary course of business, and in the absence of sanctions, the amount of the obligations under the Affected Contracts would be determined in accordance with the contract terms and by reference to the contract price, but there is complexity in terms of the timing of the payment in light of the current sanction regime. The Company has exercised its judgment and recorded a balance of \$222M within commodity accounts payable related to the Affected Contracts which is subject to sanctions against the relevant counterparty. The effect of the sanctions is currently in dispute. In addition to resolution of the dispute, the Company may also require licences/approval from relevant sanctions authorities before any payment is made. The Company will continue to assess the position as new information becomes available.

Estimates and Assumptions

Valuation of derivative instruments

Derivative instruments are carried at fair value and the Company evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 13 Fair Value Measurement. Fair values are determined in the following ways: externally verified to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs that are not included in Level 1 (Level 2); inputs are not based on observable markets so alternative procedures are used such as, comparison to comparable instruments and/or using models with unobservable market inputs requiring the Company to make market-based assumptions (Level 3). Level 3 inputs therefore include the highest level of estimation uncertainty.

Fair Value Measurements

In addition to recognising derivative instruments at fair value, as discussed above, an assessment of fair value of assets and liabilities is also required in accounting for other transactions, most notably inventories and disclosures related to fair values of financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions rarely exist.

5. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The overriding objectives of the Company's capital management policies are to safeguard and support the business as a going concern and to maintain optimal capital structure with a view to maximising returns to the shareholder and benefits to other stakeholders by reducing the Company's cost of capital.

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****6. Group company information***Information about subsidiaries and joint ventures*

Subsidiary Name	Principal Activities	Country of Incorporation	2023 % Equity Interest	2022 % Equity Interest
Javelin Private Capital Group LLC	Advisory	United States	100	100
Javelin Global Commodities Trading India Private Limited	Back office support function	India	99	99
Javelin Global Commodities (US) LP	Corporate	United States	100	100
Javelin Global Commodities Trading (UK) Limited	Dormant	United Kingdom	100	100
Bluegrass Natural Resources LLC	Extraction	United States	100	100
Gomex Finance LLC	Financing	United States	100	100
Bluegrass Commodities GP LLC	General Partner	United States	100	100
Black Mountain Marketing and Sales GP LLC	General Partner	United States	100	100
Clintwood Marketing and Sales GP LLC	General Partner	United States	100	100
Javelin Hydrocarbon GP LLC	General Partner	United States	100	100
Javelin Global Commodities (US) GP LLC	General Partner	United States	100	100
Javelin Global Commodities US Holdings Inc.	Holding Company	United States	100	100
NEC Operations Pty Ltd	Holding Company	Australia	100	100
Bluegrass Commodities Holdings LP	Holding Company	United States	100	100
Javelin Hydrocarbon Employee Holdings LP	Holding Company	United States	100	100
Javelin Global Commodities US Holdings Inc	Holding Company	United States	100	100
Javelin Global Commodities (CH) GmbH	Marketing	Switzerland	100	100
Javelin Global Commodities (SG) Pte. Ltd	Marketing	Singapore	100	100
Javelin Global Commodities (IL) Ltd	Marketing	Israel	100	100
Javelin Marketing and Trading (UK) Ltd.	Marketing	United Kingdom	100	100
Javelin Global Commodities (AU) Pty Ltd	Marketing	Australia	100	100
Jericho Salt Ltd	Marketing	United Kingdom	100	100
Wilkie Creek Marketing and Sales Ltd	Marketing	United Kingdom	100	100
Javelin QLD Marketing Pte Ltd	Marketing	Singapore	100	100
Javelin Global Commodities (CAN) Ltd	Marketing	Canada	100	100
Bluegrass Commodities LP	Marketing	United States	100	100
BlackHawk Marketing and Sales LP	Marketing	United States	100	100
Black Mountain Marketing and Sales LP	Marketing	United States	100	100
Clintwood Marketing and Sales LP	Marketing	United States	100	100
Javelin Global Commodities CA LLC	Marketing	United States	100	100
Javelin Gomex Trading LLC	Marketing	United States	100	100
Javelin US Oil LLC	Marketing	United States	100	100
Javelin-Cassingham Ventures LLC	Renewables	United States	100	100
Cumberland Renewable LLC	Renewables	United States	50	50
Javelin Renewable Ventures LLC	Renewables	United States	100	100
Emerald Renewable LLC	Renewables	United States	50	50
Javelin First Fork Ventures LLC	Renewables	United States	100	100
Holbrook Renewable LLC	Renewables	United States	50	50
Javelin Iron Mt Ventures LLC	Renewables	United States	100	100
Iron Javelin Ventures LLC	Renewables	United States	50	50
Javelin Laurel Branch Ventures LLC	Renewables	United States	100	100
Javelin Leasing LLC	Renewables	United States	100	100
Javelin Lone Mt Ventures LLC	Renewables	United States	100	100
Javelin-Lorado Ventures LLC	Renewables	United States	100	100
Javelin Mud River Ventures LLC	Renewables	United States	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****6. Group company information (continued)***Information about subsidiaries and joint ventures (continued)*

Subsidiary Name	Principal Activities	Country of Incorporation	2023 % Equity Interest	2022 % Equity Interest
Javelin-Pax Ventures LLC	Renewables	United States	100	100
Javelin Shrewsbury Ventures LLC	Renewables	United States	100	100
Javelin Pocahontas Ventures LLC	Renewables	United States	100	-
Javelin Dingess Ventures LLC	Renewables	United States	100	-
Javelin Roundup Ventures LLC	Renewables	United States	100	-
Javelin Sweetwater Ventures LLC	Renewables	United States	100	-
Javelin Compass Ventures LLC	Renewables	United States	100	-
Javelin Blaney Ventures LLC	Renewables	United States	100	-
Javelin Apollo Ventures LLC	Renewables	United States	100	-
Javelin Sulphur Ventures LLC	Renewables	United States	100	-
Javelin Gramercy Ventures LLC	Renewables	United States	100	-
Javelin Global Commodities (CEE) Sp.Zo.o	Trading	Poland	100	-
Javelin Global Commodities (CL) SpA	Trading	Chile	100	-
Javelin Copper Trading (CL) SpA	Trading	Chile	100	-
Javelin Hydrocarbons (SG) Pts Ltd	Trading	Singapore	100	-

The Company's immediate parent is Javelin Global Commodities Services Limited. The Company is exempt from the obligation to prepare consolidated financial statements under Section 400(1) of the Companies Act 2006 as the results are included within the consolidated financial statements of Javelin Global Commodities Holdings LLP. Javelin Global Commodities Holding LLP has the same registered address as that of the Company and the group accounts can be obtained from 27 Eccleston Place, London, SW1W 9NF, United Kingdom. Javelin Global Commodities Holdings LLP's membership interest is held by Javelin Management Services LLP and Javelin Management Services Intermediate Holdings Ltd and is the Ultimate Parent of the Company. Javelin Global Commodities Services Ltd and Javelin Global Commodities Holdings LLP are the smallest and largest group to consolidate these financial statements, respectively.

7. Fair value measurement

The Company classifies the fair values of its derivative financial instruments into a three-level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable input)

Level 1 classifications primarily include exchange traded derivatives. Level 2 classifications primarily include OTC financial swaps, futures and physical forward transactions which derive their fair value primarily from exchange quotes, observable broker quotes and applicable market-based estimates surrounding location and quality.

The following tables provide the fair value measurement hierarchy of the Company's net financial asset and liability commodity trading positions for which fair value is measured on a recurring basis as of 31 December 2023 and 2022. Other assets which are measured at fair value on a recurring basis are inventories. Refer to Note 23 for disclosures in connection with the inventories fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****7. Fair value measurement (continued)**

	2023			
<i>Current derivative financial assets</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Commodity futures and swaps – non Group entities	55,821	6,823	48,998	-
Physical commodity forwards – Group entities	2,010	-	2,010	-
Physical commodity forwards – non Group entities	125,214	-	125,214	-
Total current financial assets	183,045	6,823	176,222	-

<i>Non-current derivative financial assets</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Commodity futures and swaps – non Group entities	4,277	-	4,277	-
Physical commodity forwards – non Group entities	1,198	-	1,198	-
Total non-current financial assets	5,475	-	5,475	-

Total financial assets	188,520	6,823	181,697	-
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	2022			
<i>Current derivative financial assets</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Commodity futures and swaps – non Group entities	71,934	1,249	70,685	-
Physical commodity forwards – non Group entities	583,257	-	583,257	-
Total current financial assets	655,191	1,249	653,942	-

<i>Non-current derivative financial assets</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Commodity futures and swaps – non Group entities	186	-	186	-
Physical commodity forwards – non Group entities	28,676	-	28,676	-
Total non-current financial assets	28,862	-	28,862	-

Total financial assets	684,053	1,249	682,804	-
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Financial liabilities

	2023			
<i>Current derivative financial liabilities</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Commodity futures and swaps – Group entities	1,118	-	1,118	-
Commodity futures and swaps – non Group entities	11,003	-	11,003	-
Physical commodity forwards – Group entities	10,318	-	10,318	-
Physical commodity forwards – non Group entities	64,957	-	64,957	-
Total current financial liabilities	87,396	-	87,396	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****7. Fair value measurement (continued)**

	2023			
<i>Non-current derivative financial liabilities</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Physical commodity forwards – non Group entities	1,410	-	1,410	-
Total non-current financial liabilities	1,410	-	1,410	-
Total financial liabilities	88,806	-	88,806	-
				2022
<i>Current derivative financial liabilities</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Commodity futures and swaps – Group entities	404	-	404	-
Commodity futures and swaps – non Group entities	43,847	874	42,973	-
Physical commodity forwards – Group entities	9,896	-	9,896	-
Physical commodity forwards – non Group entities	120,406	-	120,406	-
Total current financial liabilities	174,553	874	173,679	-
<i>Non-current derivative financial liabilities</i>				
	Total	Level 1	Level 2	Level 3
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Physical commodity forwards – non Group entities	6,159	-	6,159	-
Total non-current financial liabilities	6,159	-	6,159	-
Total financial liabilities	180,712	874	179,838	-

There were no transfers in or out of level 3 in the fair value hierarchy levels during 2023.

8. Financial assets and financial liabilities

The following table presents the carrying values and fair values of the Company's financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Where available, market values have been used to determine fair values. When market values are not available, the estimated fair values have been determined using market information and appropriate valuation methodologies but are not necessarily indicative of the amounts the Company could realise in the normal course of business.

The financial assets and liabilities are presented by class in the table below at their carrying values, which generally approximate the fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****8. Financial assets and financial liabilities (continued)**

			2023
	Amortised Cost	FVtPL¹	Total
Non-current financial derivative instruments	-	5,475	5,475
Current financial derivative instruments	-	183,045	183,045
Other non-current assets	85,770	-	85,770
Other current assets	198,301	4,178	202,479
Non-current note receivable and group financing	2,170	-	2,170
Current note receivable and group financing	62,486	-	62,486
Trade and other receivables	348,478	-	348,478
Cash and cash equivalents	394,443	253,371	647,814
Total financial assets	1,091,648	446,069	1,537,717
Non-current financial derivative instruments	-	1,410	1,410
Current financial derivative instruments	-	87,396	87,396
Other non-current liabilities	1,662	-	1,662
Other current liabilities	31,142	-	31,142
Current loans and borrowings	479,251	-	479,251
Non-current trade and other payables	7,678	-	7,678
Trade and other payables	742,089	-	742,089
Total financial liabilities	1,261,822	88,806	1,350,628
	Amortised Cost	FVtPL¹	2022 Total
Non-current financial derivative instruments	-	28,862	28,862
Current financial derivative instruments	-	655,191	655,191
Other current assets	9,742	-	9,742
Non-current note receivable and group financing	8,587	-	8,587
Current note receivable and group financing	23,127	-	23,127
Trade and other receivables	310,305	-	310,305
Cash and cash equivalents	675,457	-	675,457
Total financial assets	1,027,218	684,053	1,711,271
Non-current financial derivative instruments	-	6,159	6,159
Current financial derivative instruments	-	174,553	174,553
Other non-current liabilities	585	-	585
Other current liabilities	14,927	-	14,927
Non-current loans and borrowings	28,208	-	28,208
Current loans and borrowings	396,580	-	396,580
Trade and other payables	771,526	-	771,526
Total financial liabilities	1,211,826	180,712	1,392,538

¹ FVtPL is fair value through profit and loss.

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognised when the Company no longer has the rights to the cash flows and or the risks and rewards of ownership of control of the asset. Other current and non-current financial assets include treasury bills with maturities greater than three months, short duration funds, commercial paper and other bonds. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****8. Financial assets and financial liabilities (continued)**

The following tables show the amounts recognised for financial assets and liabilities which are subject to offsetting arrangements on a gross basis, and the amounts offset in the balance sheet.

			2023 \$'000
			Net amounts present on the statement of financial position
	Gross amounts	Amounts set off	
Financial derivative assets	74,337	(14,239)	60,098
Financial derivative liabilities	(26,361)	14,239	(12,122)

			2022 \$'000
			Net amounts present on the statement of financial position
	Gross amounts	Amounts set off	
Financial derivative assets	72,120	-	72,120
Financial derivative liabilities	(44,251)	-	(44,251)

RISK MANAGEMENT OBJECTIVES

The Company manages its financial risks through risk management at the Group level. Senior management identifies and evaluates financial risks on an on-going basis. The principal risks to which the Company is exposed include market risk, credit risk and liquidity risk.

Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in (a) commodities and commodity derivatives and (b) non-USD denominated assets and liabilities, to the extent that these are exposed to general and specific market movements.

Commodities price risk

As a result of the core operations the Company is exposed to commodities price risk. The Company monitors commodities price risk through industry standard risk metrics such as value-at-risk (VaR) and stress testing.

Commodity price sensitivity

Value-at-risk ("VAR") calculated using the variance-covariance method at a 95% confidence level based on one-year historical returns was \$5.2M as of 31 December 2023 [31 December 2022: \$19.8M].

Foreign currency risk

The Company's trading business is generally denominated in USD therefore exposure to exchange rate fluctuations is not significant.

Interest rate risk

The Company is exposed to interest rate risk through its working capital financing facilities. The working capital financing facility is short-term and interest rate risk is not deemed significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****8. Financial assets and financial liabilities (continued)****Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risks from its operating activities (primarily trade receivables). Credit risk is analysed through our credit analysis procedures and managed by our management board.

The maximum exposure to credit risk before the consideration of collateral or other credit enhancements received for receivables and other financial assets is represented by their carrying amount. The Company obtains guarantees, collaterals and other credit enhancements to manage, reduce or minimise credit risk. As at 31 December 2023, the value of such collateral and credit enhancements, including guarantees and letters of credit was \$1.8M and \$81.2M, respectively. (2022: \$5.1M and \$91.97M).

The maximum exposure to credit risk at 31 December was:

	2023	2022
	\$'000	\$'000
Trade and other receivables due from third parties	313,752	297,031
Receivables due from Group companies	48,302	21,114
Financial instruments	188,520	684,054
Note receivable	64,656	31,714
Other assets	288,249	9,742
Cash and cash equivalents	647,814	675,457
Total exposure	1,551,293	1,719,112
Expected credit loss	(13,576)	(7,840)
Net exposure	1,537,717	1,711,272

The Company recognises an allowance for expected credit losses (ECLs). The Company applies a simplified approach in calculating ECLs and recognises a loss allowances based on the expected rate of default at each reporting date as the Company has no historical credit loss experience. The expected rate of default is determine based on counterparty credit rating. Financial assets are written off when the Company has no reasonable expectation of recovering amounts due.

The aging of trade and other receivables at 31 December 2023 and 2022 was:

	2023	2022
	\$'000	\$'000
More than 90 days	12,979	1,877
Between 31-90 days	1,378	1,926
Between 1-30 days	17,443	6,229
Not yet due	273,956	285,268
Group	48,302	21,114
Margin	7,996	1,731
	362,054	318,145

The internal assessed rate of default of trade and other receivables at 31 December 2023 and 2022 was:

	2023	2022
	\$'000	\$'000
<1%	105,327	197,559
>1% and <5%	78,211	32,755
>5%	122,218	64,986
Group	48,302	21,114
Margin	7,996	1,731
	362,054	318,145

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****8. Financial assets and financial liabilities (continued)****Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Company seeks to manage its liquidity risk by ensuring that sufficient liquidity is available to meet its foreseeable needs. The maturity profile for the Company's financial liabilities at 31 December based on contractual undiscounted payments is analysed as follows:

	2023	< 3	3–12	1–2	2–5	> 5
	Total	months	months	years	years	years
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Financial derivative instruments	12,122	11,110	1,012	-	-	-
Physical derivative instruments	76,685	38,582	36,693	1,410	-	-
Trade and other payables	749,767	738,604	3,485	7,678	-	-
Other liabilities	32,804	26,199	4,943	1,662	-	-
Loan and borrowings	479,251	435,215	44,036	-	-	-
Total	1,350,629	1,249,710	90,169	10,750	-	-

	2022	< 3	3–12	1–2	2–5	> 5
	Total	months	months	years	years	years
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Financial derivative instruments	44,251	13,918	30,333	-	-	-
Physical derivative instruments	136,461	50,250	80,052	6,159	-	-
Trade and other payables	771,526	771,526	-	-	-	-
Other liabilities	15,512	5,069	9,858	585	-	-
Loan and borrowings	424,788	316,740	79,840	27,750	458	-
Total	1,392,538	1,157,503	200,083	34,494	458	-

Liabilities arising from financing activities are those for which cash flows are classified in the Company's cash flow statements as cash flows from financing activities. The table below details changes in the Company's liabilities arising from financing activities including both cash and non-cash changes.

	Borrowings	Lease liabilities	Total	Dividends	Total liabilities arising from financing activities
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Balance at 1 January 2023	424,788	15,512	440,300	-	440,300
Cash-related movements					
Repayments of lease liabilities	-	(22,078)	(22,078)	-	(22,078)
Repayments of current borrowings	(393,289)	-	(393,289)	-	(393,289)
Repayments of non-current borrowings	(2,464)	-	(2,464)	-	(2,464)
Proceeds from current borrowings	450,216	-	450,216	-	450,216
Dividends	-	-	-	(6,528)	(6,528)
	54,463	(22,078)	32,385	(6,528)	25,857
Non-cash-related movements					
Accretion	-	923	923	-	923
Additions	-	14,433	14,433	-	14,433
	-	15,356	15,356	-	15,356
Balance at 31 December 2023	479,251	8,790	488,041	(6,528)	481,513

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

9. Net trading income

Set out below is the Company's net trading income:

	2023	2022
	\$'000	\$'000
Net trading income	240,875	459,351
	<u>240,875</u>	<u>459,351</u>
Attributable to:		
Realised physical trading sales	3,798,825	4,940,800
Cost of goods sold	(3,557,949)	(4,481,449)
	<u>240,875</u>	<u>459,351</u>

Net trading income includes realised gains / (losses) on all settled commodity trading contracts and unrealised gains / (losses) on the unsettled commodity trading contracts.

Unrealised gains and losses recognised during the year in the Company's profit and loss through net trading incomes are as follows:

	2023	2022
	\$'000	\$'000
Commodity futures and swaps – unrealised	19,021	281,658
Physical commodity forwards - unrealised	(423,735)	148,932

10. Other revenue

Set out below is the Company's other revenue from contracts with customers:

	2023	2022
	\$'000	\$'000
Marketing services	24,832	41,131
Fuel management services	-	183
Time charter services	15,133	59,783
Commodity sales	1,155,770	868,373
Miscellaneous	-	25
	<u>1,195,735</u>	<u>969,495</u>

The Company's performance obligation for marketing services is satisfied upon purchase and receipt of delivery of the commodity goods subject to marketing agreements. Time charter services are derived through charters for customers. The Company's performance is satisfied over the period of time for which the chartering services is provided.

Commodity sales includes sales of commodities that are not in scope for IFRS 9 and are accordingly in scope for IFRS 15. Revenue from commodity sales is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. For CIF and CFR shipments, the Company's freight performance is satisfied over the period of time for which the freight services are provided.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****11. Other cost of sales**

Set out below is the Company's other cost of sales:

	2023	2022
	\$'000	\$'000
Time charter operating costs	15,904	50,418
Commodity costs	1,164,737	643,892
	<u>1,180,641</u>	<u>694,310</u>

Time charter operating costs are derived from operating the time charter and is inclusive of hire costs, fuel, port and other operating costs including depreciation. Commodity costs includes purchases of commodities and material, and the associated costs of purchasing, storing and transporting the products that are not in scope for IFRS 9.

12. Administrative expenses

Administrative expenses recognised in the statement of comprehensive income is analysed as follows:

	2023	2022
	\$'000	\$'000
Salary and benefits	18,419	69,359
Amortisation of intangible assets	199	199
Legal fees	7,299	4,525
Advisory and consulting fees	709	650
Subscription fees	2,533	2,730
Foreign exchange gain	(4,757)	(7,018)
Other miscellaneous selling, general and administrative costs	4,785	4,118
Intercompany expense	70,462	122,123
Expected credit loss	5,736	1,645
	<u>105,385</u>	<u>198,331</u>

13. Other income

	2023	2022
	\$'000	\$'000
Rendering of services to Group entities	2,443	1,331
Miscellaneous	15	11
	<u>2,458</u>	<u>1,342</u>

14. Finance cost

	2023	2022
	\$'000	\$'000
Interest on credit facility from Group entity	4,531	2,735
Interest on financing facilities from third party	32,382	27,526
Interest on borrowings	14,721	6,375
Interest expense for leasing arrangements	923	1,396
	<u>52,557</u>	<u>38,032</u>

Finance costs include the interest expensed as part of the time charter lease liability. The Company's incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company has deemed the rate for this lease to be 4.7%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

15. Finance income

	2023	2022
	\$'000	\$'000
Interest on accelerated payment working capital facilities	8,508	5,222
Interest on promissory notes	1,023	700
Interest on credit facility to Group entities	2,839	3,280
Interest on advances	354	1,117
Interest on cash and other short term investments	30,726	109
	<u>43,450</u>	<u>10,428</u>

16. Staff costs

	2023	2022
	\$'000	\$'000
Wages, salaries and discretionary bonus	15,796	60,313
Social security costs	2,200	8,776
Other pension costs	423	270
Total staff costs	<u>18,419</u>	<u>69,359</u>

Number of persons employed as of 31 December 2023 31

Number of persons employed as of 31 December 2022 27

17. Auditor's remuneration

The Company incurred the following amounts in respect of the audit of the financial statements and for other services provided to the Company for the year ended 31 December:

	2023	2022
	\$'000	\$'000
Audit of the financial statements	850	642
Taxation compliance services	-	12
	<u>850</u>	<u>654</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****18. Income tax**

The major components of the income tax expense for the year ended 31 December 2023 and 2022 are:

	2023	2022
	\$'000	\$'000
<i>Current income tax:</i>		
Current income tax charge	36,176	102,394
Adjustment for prior year	779	57
Current income tax expense	<u>36,955</u>	<u>102,451</u>
<i>Deferred income tax:</i>		
	2023	2022
	\$'000	\$'000
Temporary differences	(2,185)	(5,031)
Benefit from increasing tax rate	-	(1,201)
Deferred tax credit	<u>(2,185)</u>	<u>(6,232)</u>
Income tax expense reported in the statement of comprehensive income	<u>34,770</u>	<u>96,219</u>

Reconciliation of tax expense and the accounting profit multiplied by the UK's domestic tax rate is:

	2023	2022
	\$'000	\$'000
Accounting profit before income tax	143,935	573,157
At the UK's statutory income tax rate ²	33,825	97,500
Adjustment for non-deductible expenses	300	17
Adjustment for prior year change in estimates	779	57
Benefit from increasing tax rate	-	(1,201)
Other adjustments	(134)	(154)
Income tax expense reported in the statement of comprehensive income	<u>34,770</u>	<u>96,219</u>

² Income tax calculated basis UK statutory tax rate average for the year of 23.5%.

Movement in deferred tax balances is as follows:

	Property, plant and equipment \$'000	Deferred Bonus \$'000	Total \$'000
Deferred tax asset			
At 1 January 2022	-	-	-
Recognised in profit or loss	155	6,077	6,232
At 31 December 2022	<u>155</u>	<u>6,077</u>	<u>6,232</u>
Recognised in profit or loss	(122)	2,307	2,185
At 31 December 2023	<u>33</u>	<u>8,384</u>	<u>8,417</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2023

19. Property, plant and equipment

	Time Charters - Right-of-Use Asset (Note 21) \$'000	Containers \$'000	Total \$'000
Cost			
At 31 December 2021	72,853	-	72,853
Additions	-	-	-
Disposals	-	-	-
Adjustment	274	-	274
At 31 December 2022	73,127	-	73,127
Additions	14,433	999	15,432
Disposals	(24,853)	-	(24,853)
Adjustment	-	-	-
At 31 December 2023	62,707	999	63,706
Depreciation			
At 31 December 2021	40,484	-	40,484
Depreciation	18,186	-	18,186
Disposals	-	-	-
At 31 December 2022	58,670	-	58,670
Depreciation	20,346	-	20,346
Disposals	(24,853)	-	(24,853)
At 31 December 2023	54,163	-	54,163
Net Book Value			
At 31 December 2023	8,544	999	9,543
At 31 December 2022	14,457	-	14,457

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****20. Intangible assets**

	Licenses with definite useful life \$'000	Total \$'000
Cost		
At 31 December 2021	1,747	1,747
Additions	-	-
Disposals	-	-
At 31 December 2022	1,747	1,747
Additions	-	-
Disposals	-	-
At 31 December 2023	1,747	1,747
Amortisation		
At 31 December 2021	754	754
Amortisation	198	198
Disposals	-	-
At 31 December 2022	952	952
Amortisation	199	199
Disposals	-	-
At 31 December 2023	1,151	1,151
Net Book Value		
At 31 December 2023	596	596
At 31 December 2022	795	795

21. Leases

During the year, the Company disposed of one-time charter vessel and leased one further time charter. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 19).

Right-of-use- asset	Number of right-of-use assets leased	Average remaining lease term	Number of leases with extension option	Number of leases with a termination option
Time charters	3	5.4 months	-	-

Additional information on the right-of-use-assets by class of assets is as follows:

Right-of-use-asset	Carrying amount	Additions	Depreciation	2023 Total
Time charters	14,457	14,433	(20,346)	8,544

Right-of-use-asset	Carrying amount	Additions	Depreciation	2022 Total
Time charters	32,369	-	(17,912)	14,457

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****21. Leases (continued)****Lease liabilities**

Set out below are the carrying amounts of lease liabilities (included under Other Liabilities) and the movements during the period:

	\$'000
As at 31 December 2021	37,012
Accretion of interest	1,396
Adjustments	274
Disposals	(1,717)
Payments	(21,453)
As at 31 December 2022	15,512
Additions	14,433
Accretion of interest	923
Payments	(22,078)
As at 31 December 2023	8,790

Lease liabilities are presented in the statement of financial position as follows:

	2023	2022
	\$'000	\$'000
<i>Current</i>	7,128	14,927
<i>Non-current</i>	1,662	585
	<u>8,790</u>	<u>15,512</u>

Additional information on the lease liabilities and amounts in respect of possible future lease termination options not recognised as a liability are as follows:

Right-of-use-asset	Lease liability	Lease termination options recognised as part of the lease liability	Number of leases with an extension option that is not considered reasonably certain of exercise	Additional lease liabilities that would be incurred were it to become reasonably certain that the extension option would be exercised
Time charters	8,790	-	-	-

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable assets in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company's strategy and the economic benefit of exercising the option exceeds the expected overall cost.

The following are the amounts recognised in the Statement of Comprehensive Income:

	2023	2022
	\$'000	\$'000
Depreciation expense right-of-use asset (other cost of sales)	20,346	18,186
Interest expense on lease liabilities (finance cost)	923	1,396
Total amount recognised in Statement of Comprehensive Income	<u>21,269</u>	<u>19,582</u>

The Company had total cash outflows of \$22,078 (in '000) in 2023 [2022: \$21,453 (in '000)].

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****22. Investment in subsidiaries**

	\$'000
At 31 December 2021	23,059
Additions	38,000
At 31 December 2022	61,059
Additions	4
At 31 December 2023	61,063

On 20 November 2015 the Company acquired 100% of the voting shares of Javelin Global Commodities (SG) Pte Ltd, a private company based in Singapore. Javelin Global Commodities (SG) Pte Ltd was acquired for consideration of 1 SGD. Subsequently, Javelin Global Commodities (SG) Pte Ltd issued 50,000 shares at 1 SGD, of which the Company acquired for total consideration of SGD 50,000. On 27 July 2022, the Company issued an additional 7.7 million shares for a total consideration of \$5.8 million (SGD 7.7 million).

On 2 October 2015 the Company acquired 100% of the voting shares of Javelin Global Commodities (CH) GmbH, a private company based in Switzerland. Javelin Global Commodities (CH) GmbH was acquired for consideration of CHF 20,000.

On 30 August 2015 the Company acquired 100% of the voting shares of Javelin Global Commodities (IL) Ltd, a private company based in Israel. Javelin Global Commodities (IL) Limited was acquired at nil par value.

On 4 December 2017 the Company acquired 100% of the voting shares of Oak Grove Marketing and Sales Ltd (formally Blackjewel Marketing and Sales (UK) Ltd), a private company based in the United Kingdom. Blackjewel Marketing and Sales (UK) Ltd was acquired for consideration of GBP 100. Blackjewel Marketing and Sales (UK) Ltd previously had a 40.00% profit share interest in Blackjewel Marketing and Sales Holdings LLC, a limited liability company based in the United States and is designated the manager of the entity.

On 18 October 2018, Blackjewel Marketing and Sales Holdings LLC redeemed its ownership interest held by Blackjewel Marketing and Sales (UK) Ltd as well as the ownership interest held by the other two partners. Subsequent to the redemption, Blackjewel Marketing and Sales Holding LLC reorganized as Blackjewel Marketing and Sales Holding LP. Javelin Global Commodities (US) LP, a wholly-owned subsidiary of the Partnership, acquired a 40.00% ownership in exchange for the performance of marketing and management services.

On 31 December 2020, the Company issued 1,000 shares at 1 GBP to Javelin Global Commodities Services Limited in exchange for 100% of the voting shares of Javelin Global Commodities US Holdings Inc. for a total consideration of \$9.6 million.

On 29 September 2021, the Company issued 100 ordinary shares in NEC Operations Pty Ltd, a private company based in Australia for a total consideration of \$7.6 million (AUD 11 million).

On 30 December 2022 and 31 December 2022, the Company further capitalised Javelin Global Commodities US Holding Inc, a private company based in the US for a total consideration of \$38.0 million.

On 7 December 2023 the Company acquired 5,000 shares in Javelin Global Commodities (CEE) Sp. Zo.o, a private company based in Poland for a total consideration of PLN 5,000.

On 12 December 2023 the Company issued 1 million shares in Javelin Global Commodities (CL) SpA, a private company based in Chile for a total consideration of CLP 1 million.

On 28 December 2023 the Company issued 1 million shares in Javelin Copper Trading (CL) SpA, a private company based in Chile for a total consideration CLP 1 million.

Management has performed an impairment test for its investments in subsidiaries, Javelin Global Commodities US Holdings Inc and Wilkie Creek Marketing and Sales Ltd as at 31 December 2023. The recoverable amounts were determined resulting in a high degree of headroom that is not materially sensitive to any reasonable changes in key assumptions, illustrating that no impairment adjustment was required.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

23. Inventories

Inventories consist of the following:

	2023	2022
	\$'000	\$'000
Stock in trade in stockpile	543,089	416,049
Stock in trade in transit	57,853	110,504
	<u>600,942</u>	<u>526,553</u>

Fair value of inventories is a Level 2 fair value measurement using observable market prices obtained from exchanges, traded reference indices or market survey services adjusted for relevant location and quality differentials. There are no significant unobservable inputs in the fair value measurement of inventories.

As at 31 December 2023, the carrying amount of inventory carried at the lower of cost and net realisable value was \$124.7 million (2022: \$82.9 million). As at 31 December 2023, the carrying amount of inventory carried at fair value less costs to sell amounted to \$476.2 million (2022: \$443.6 million).

In 2023 and 2022, \$391.2 million and \$221.0 million of the Company's inventories are financed through the Company's working capital financing facilities with banks, respectively.

24. Trade and other receivables

Trade and other receivables consist of the following:

	2023	2022
	\$'000	\$'000
Commodity accounts receivable	303,717	295,274
Commissions accounts receivable	-	-
Receivables from Group entities	48,302	21,114
Margin	7,994	1,732
Other receivables	2,041	25
Provision for expected credit losses	(13,576)	(7,840)
	<u>348,478</u>	<u>310,305</u>

In 2023, \$213.0 million (2022: \$80.5million) of the Company's commodity accounts receivable are financed through the Company's working capital financing facilities with various banks.

Set out below is the movement in the allowance for expected credit losses of trades receivables:

	2023	2022
	\$'000	\$'000
As at 1 January	7,840	6,195
Provision for expected credit losses	13,576	7,840
Recovery	(7,840)	(6,195)
	<u>13,576</u>	<u>7,840</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****25. Note receivables**

Note receivables consist of the following:

	2023	2022
	\$'000	\$'000
<i>Current</i>		
Promissory note	-	3,116
	-	3,116
<i>Non-current</i>		
Promissory note	2,170	2,170
	2,170	2,170

In February 2019, the Company entered into a secured \$2.3 million promissory note with another individual. As of 31 December 2023, there were borrowings of \$1.87 million on the arrangement.

26. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash at banks and on hand	343,277	675,457
Cash equivalents	304,537	-
	647,814	675,457

Cash and cash equivalents comprise current balances with banks and similar institutions, commercial paper and bonds with maturities at acquisition of three months or less, and investments in money market funds. The carrying amount of cash, commercial paper and bonds approximates their fair values. Money market funds are measured at either amortised cost or fair value dependant on the characteristics of the underlying fund. As at 31 December 2023, the Company held \$253 million of investments in money market funds categorised within level 1 of the fair value hierarchy.

27. Issued capital and reserves

Share capital includes total nominal proceeds of \$10,001,340 on the issue of the Company's equity share capital comprising of 6,871,450 Ordinary shares. On 31 December 2020, the Company issued 1,000 Ordinary shares at a value of £1/share to the Company's parent, Javelin Global Commodities Services Ltd for the transfer of 1,001 shares of common stock in Javelin Global Commodities US Holdings Inc. with a consideration fair value of \$9,620,732 of which \$9,619,392 is considered to be a share premium by the Company. Javelin Global Commodities Services Ltd owns 100% of the voting shares issued by the Company.

Authorised

	\$'000	\$'000
	2023	2022
Ordinary share capital (6,871,450 ordinary shares)	10,001	10,001

	Shares	\$'000
<i>Ordinary shares issued and fully paid</i>		
At 31 December 2021	6,871,450	19,621
At 31 December 2022	6,871,450	19,621
At 31 December 2023	6,871,450	19,621

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****27. Issued capital and reserves (continued)**

	\$'000
<i>Retained earnings</i>	
At 31 December 2021	352,543
Profit for the year	416,938
Dividend to shareholders	(35,800)
At 31 December 2022	<u>733,681</u>
Profit for the year	109,165
Dividend to shareholders	(6,528)
At 31 December 2023	<u>836,318</u>

28. Trade and other payables

	2023	2022
	\$'000	\$'000
<i>Current</i>		
Commodity accounts payable	635,572	639,890
Payables due to Group entities	70,037	62,940
Other payables	36,480	68,696
	<u>742,089</u>	<u>771,526</u>
<i>Non-current</i>		
Other payables	7,678	-
	<u>7,678</u>	<u>-</u>

The carrying value of trade and other payables approximates its fair value. The Company has recorded a balance of \$222M within commodity accounts payable at year end which is subject to sanctions against the relevant counterparty. The effect of the sanctions is currently in dispute. In addition to resolution of the dispute, the Company may also require licences/approval from relevant sanctions authorities before any payment is made. Please refer to Note 4 for more details.

29. Loan and borrowing obligations

	2023	2022
	\$'000	\$'000
<i>Current</i>		
Loan and borrowings from Group entities	26,000	74,652
Loan and borrowings from third parties	68,003	20,388
Working capital financing facility	385,248	301,540
	<u>479,251</u>	<u>396,580</u>
<i>Non-current</i>		
Loan and borrowings from Group entities	-	25,000
Loan and borrowings from third parties	-	3,208
	<u>-</u>	<u>28,208</u>

The Company has uncommitted working capital financing facilities with various banks. The transactional based facilities are subject to approval by the bank on a transaction-by-transaction basis with advance rates dependent on the type and location of collateral. All financing is interest bearing. As at 31 December 2023, the Company has pledged \$391.2 million of inventory [31 December 2022: \$221.0 million] and \$213.0 million of receivables [31 December 2022: \$80.5 million] against financing drawn.

30. Commitments and contingencies

At 31 December 2023, the Company had nil commitments or contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****31. Related party disclosures**

Note 6 provides information the Company's structure, including details of the subsidiaries and the holding company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions. Related parties represent associated companies, shareholders, directors and key management personnel of the Company of which they are principal owners. In the normal course of business, the Company enters into various arm's length transactions with related parties. The following table presents the Company's identified related parties.

Name of related party	Relationship
Javelin Management Services LLP	51.550% ownership interest in Javelin Management Services Intermediate Holdings Ltd
Javelin Management Services II LLP	48.450% ownership interest in Javelin Global Commodities Holdings LLP
Javelin Management Services Intermediate Holdings Ltd	51.550% ownership interest in Javelin Global Commodities Holdings LLP
Viper UK HoldCo Ltd (UK)	19.889% indirect ownership interest in Javelin Global Commodities Holdings LLP
Dorado Investment Holdings LLC (PR)	13.502% indirect ownership interest in Javelin Global Commodities Holdings LLP
Javelin Global Commodities Holdings LLP	Ultimate Parent
Javelin Global Commodities Services Ltd	Parent
Javelin Global Commodities PR LLC	Affiliate
Dorado Management Services LLC	Consultant
Peter Bradley	Ultimate Controlling Party
Spencer Sloan	Management Board

For full Group Company information, please refer to Note 6.

Other related party transactions

The following table presents income and expenses incurred with related parties during the year ended 31 December 2023 and 2022 included in the Company's statement of comprehensive income.

	2023	2022
	\$'000	\$'000
<i>Purchases of goods and services included in net trading margin to</i>		
Bluegrass Commodities LP	(33,601)	(20,358)
Black Mountain Marketing and Sales LP	(98,424)	(120,009)
Clintwood Marketing and Sales LP	(98,890)	(140,319)
	2023	2022
	\$'000	\$'000
<i>Other income</i>		
Bluegrass Commodities LP	1,304	354
Black Mountain Marketing and Sales LP	416	419
Clintwood Marketing and Sales LP	574	557
Bluegrass Commodities LP: interest income	-	284
Black Mountain Marketing and Sales LP: interest income	1,629	1,790
Javelin Global Commodities Services Ltd: interest income	174	795
Gomex Finance LLC: interest income	1,036	412

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****31. Related party disclosures (continued)***Other expenses*

Javelin Global Commodities Services Ltd.: administrative expense	(48,599)	(97,279)
Javelin Global Commodities (CH) GmbH: administrative expense	(2,758)	(4,743)
Javelin Global Commodities (SG) Pte. Ltd.: administrative expense	(5,517)	(6,115)
Javelin Global Commodities (US) LP: administrative expense	(11,666)	(9,437)
Javelin Global Commodities (AU) Pty Ltd: administrative expense	(573)	(4,187)
Javelin Global Commodities (CAN) Ltd: administrative expense	(1,349)	(362)
Javelin Global Commodities Services Ltd: interest expense	(3,125)	(1,156)
Javelin Global Commodities (SG) Pte Ltd: interest expense	(877)	(715)
Clintwood Marketing and Sales LP: interest expense	(529)	(865)

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The following table presents the amounts of trade and other receivables, other assets and liabilities, financial instruments and trade and other payables to related parties as at 31 December.

	2023	2022
	\$'000	\$'000
<i>Trade and other receivables due from</i>		
Javelin Global Commodities Holdings LLP	1	1
NEC Operations Pty Ltd	2,484	1,134
Javelin Global Commodities US Holdings Inc	157	157
Bluegrass Commodities LP	1,293	15
Black Mountain Marketing and Sales LP	27,522	4,667
Clintwood Marketing and Sales LP	3,879	11,911
Javelin Global Commodities (US) LP	2,089	1,683
Javelin Global Commodities Trading India Private Limited	459	247
Javelin-Cassingham Ventures LLC	17	49
Javelin Renewable Ventures LLC	12	14
Javelin First Fork Ventures LLC	51	43
Javelin Laurel Branch Ventures LLC	55	43
Javelin Lone Mt Ventures LLC	792	808
Javelin-Lorado Ventures LLC	59	49
Javelin Mud River Ventures LLC	150	143
Javelin-Pax Ventures LLC	54	44
Javelin Shrewsbury Ventures LLC	123	106
Cumberland Renewable LLC	155	-
Javelin Iron Mt Ventures LLC	421	-
Javelin Hydrocarbons (SG) Pte Ltd	919	-
Javelin Dingess Ventures LLC	61	-
Javelin Compass Ventures LLC	6	-
Emerald Renewable LLC	110	-
Holbrook Renewable LLC	73	-
Javelin Gramercy Ventures LLC	3	-
Javelin Roundup Ventures LLC	18	-
Javelin Pocahontas Ventures LLC	81	-
Gomex Finance LLC	69	-
Javelin US Oil LLC	2	-
Javelin Global Commodities (SG) Pte Ltd	7,187	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****31. Related party disclosures (continued)**

	2023	2022
	\$'000	\$'000
<i>Credit facilities due from</i>		
Black Mountain Marketing and Sales LP	55,948	11,928
Gomex Finance LLC	6,538	11,000
Javelin Global Commodities Services Ltd	-	3,500
	2023	2022
	\$'000	\$'000
<i>Financial instruments due from</i>		
Clintwood Marketing and Sales LP	1,512	-
Black Mountain Marketing and Sales LP	11	-
Bluegrass Commodities LP	487	-
	2023	2022
	\$'000	\$'000
<i>Trade and other payables due to</i>		
Javelin Global Commodities Services Ltd	(10,682)	(22,446)
Javelin Global Commodities (CH) GmbH	(2,351)	(6,825)
Javelin Global Commodities (IL) Ltd.	(348)	(348)
Javelin Global Commodities (SG) Pte. Ltd.	-	(9,910)
Bluegrass Commodities LP	(13,486)	(2,502)
Javelin Global Commodities (AU) Pty Ltd	(6,672)	(6,100)
Clintwood Marketing and Sales LP	(21,804)	(1,370)
Black Mountain Marketing and Sales LP	(12,139)	(10,586)
Javelin Global Commodities (CAN) Ltd	(590)	(366)
Gomex Finance LLC	-	(230)
Javelin Leasing LLC	(1,956)	(2,257)
Javelin Global Commodities (CL) SpA	(1)	-
Javelin Copper Trading (CL) SpA	(1)	-
Javelin Private Capital Group LLC	(7)	-

Outstanding trade and other receivables and trade and other payables balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party trade and other receivables or trade and other payables. The following table presents the amounts of loan and borrowings to related parties as at 31 December 2023 and 2022.

	2023	2022
	\$'000	\$'000
<i>Loan and borrowings due to</i>		
Javelin Global Commodities Services Ltd	(25,000)	(60,000)
Javelin Global Commodities (SG) Pte. Ltd	-	(17,688)
Clintwood Marketing and Sales LP	(1,000)	(21,964)
	2023	2022
	\$'000	\$'000
<i>Financial instruments due to</i>		
Javelin Gomex Trading LLC	-	(404)
Javelin Global Commodities Trading UK Ltd	(1,118)	-
Bluegrass Commodities LP	(10,318)	(16,055)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2023****31. Related party disclosures (continued)***Key management personnel compensation*

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity or Group, including any Directors. The Company did not pay the key management personnel or Directors directly.

	2023	2022
	\$'000	\$'000
Aggregate remuneration	37,243	49,879
Director's remuneration:		
	2023	2022
	\$'000	\$'000
In respect of the highest paid director:		
Aggregate remuneration	3,200	27,494
Total director's remuneration	3,200	27,494

The aggregate remuneration in relation to qualifying services for all Directors in 2023 was \$5.3 million. In accordance with the Companies Act 2006, directors' remuneration disclosed for the year represents the proportion of total remuneration paid or payable in respect of qualifying services only. This allocation was made during the year based on independent benchmarking.

32. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The adoption of the below is not believed to have any material impact on the financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

32. Standards issued but not yet effective (continued)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

33. Events after the reporting period

There have been no significant events affecting the Company since the financial position date.