Green Hercules Trading Limited

Directors' report and financial statements

31 May 2018

Registered number 06236632

Contents

Directors' report

Introduction

The directors present their annual report and the audited financial statements for the year ended 31 May 2018.

Principal activities

The principal activity of the company is to trade and manage a portfolio of instruments which are traded in the emissions and carbon credit markets. It is involved in trading Verified Emission Reductions (VER) certificates and other similar products.

The company has entered into a risk participant agreement with a third party whereby, having entered into transactions as principal, it is able to move those transactions into a portfolio which continues to be managed by the company in accordance with investment parameters and objectives, but where the underlying risk is shared with the third party.

Business review and summary results

The directors consider the key performance indicators for the business to be profit.

Summarised results are given below:

	2018 €000	2017 €000
(Loss) / Profit after taxation for the financial year	(20)	31

Our projects continue to slowly proceed through the United Nations Framework Convention on Climate Change stages of registration and issuance and therefore monetization of the portfolio. Notwithstanding the foregoing, the company remains cautious, mainly due to an uncertain macro picture and continued uncertainties surrounding the future of the Kyoto Protocol and the non-participation of developing and developed countries.

Financial risks

The company faces a range of financial risks that include position risk, market price risk, basis risk, political risk, interest rate risk and foreign currency exposure. Cargill's management, operating worldwide, regularly review the financial risk against policies.

Market price risk - the portfolio has naturally an exposure to the fluctuation in the carbon market prices. This risk has two components, the volatility of the carbon market and the position exposed to the market moves (un-hedged position). Two types of off take agreements 'feed' the position: Guaranteed, also called secondary deals and project based, also called primary deals. For guaranteed deals all the contract volumes are guaranteed to be delivered at a specific date. Primary deals, on the other hand, are less certain both with regard to the volume and the timing of the delivery. Therefore, an adjustment factor, or delta, is applied for primary deals adapted to each project type and using historical data. This adjustment factor relating to a forecast is constantly updated by the risk, using the team input in order to have the most accurate view on the forward position. A stress sensitivity is performed on the delta adjusted forward position and this is reported to the company on a weekly basis and maintained within agreed limits.

Directors' report *(continued)*

Financial risks *(continued)*

Basis Risk - A significant portion of the portfolio has been hedged on the exchange. This has removed a significant portion of the price risk mentioned above. However, a risk exists in the timing and the quantities that have to be delivered on time to the exchange given the uncertain nature of the projects generation. The good track record of the delta adjustment factor allowed the company to hedge comfortably the future expected volumes on the exchange. However, some unpredictable events may impact the project generation or our ability to timely deliver the expected volumes on time.

Political risk - The emission market is a market that was created by politics. Unlike other markets or commodities, emissions do not have any embedded real value. The value of emission rights comes solely from the fact that current regulations require emitters to purchase emission rights in excess of their allocation and that there is an artificial shortage in the market that is created by the environmental policy of governments. Just as these policies created this market, it can destroy it too. Therefore the decision to invest in this market is highly correlated to the commitment of governments about reducing the emission of Green House Gases (GHG's) and the incentives created at the countries and industry level to do so. This can only be achieved by creating and maintaining an artificial shortage in emission rights at such a level that the price of emission rights over a longer period remains an important cost factor for the industry. There is a risk that the willingness of countries to accept a high emission price will be reduced in a situation where economic growth slows materially

Credit risk - credit checks are performed on potential customers using a recognised industry expert before sales are transacted. The amount of exposure to any individual customer is controlled by means of credit limits, which are monitored regularly by management. Due to its large geographic base and number of customers the company is not exposed to material concentrations of credit risk on its trade receivables.

Interest rate risk - the company is exposed to movements in the level of interest rates. Debt is maintained on a floating rate basis through a centrally managed treasury function within a fellow subsidiary.

Foreign exchange risk - trading activities include VER certificates which create exposures to movements in foreign exchange rates, principally the US Dollar. This exposure is managed through matching foreign exchange contracts. Authorisation levels are in place for both the value and period of the forward cover and are subject to regular review by management.

Dividends

During the year the company neither declared nor paid a dividend *(2017: €nil.)*

Policy and practice on payment of creditors

The company aims to pay all its creditors promptly. It is the company's policy to agree the terms of payment with its suppliers, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other obligations.

Directors

The directors who served during the period and at the report date were:

J A Edwards	(resigned 20 September 2018)
C N Wade	(resigned 20 September 2018)
M J Timewell	(appointed 20 September 2018)
S J Hamilton	(appointed 20 September 2018)

Directors' report *(continued)*

Disclosure of information to auditors

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

Auditors

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

By order of the board

Velocity V1
Brooklands Drive
Weybridge
Surrey
KT13 0SL

S J Hamilton

S J Hamilton
Director

12 December 2018

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report to the members of Green Hercules Trading Limited

Opinion

We have audited the financial statements of Green Hercules Trading Limited ("the company") for the year ended 31 May 2018 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

KPMG

Independent auditor's report to the members of Green Hercules Trading Limited *(continued)*

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Anthony Hambleton

Anthony Hambleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ
20 December 2018

Profit and loss account
for the year ended 31 May 2018

	Note	2018	2017
		€000	€000
Net trading income	4	-	1
Other operating income		48	119
Administrative expenses		(64)	(78)
Net operating (expense) / income		(16)	41
Operating (loss) / profit		(16)	42
Interest payable and similar expenses	5	(9)	(5)
(Loss) / profit before taxation		(25)	37
Tax credit / (charge) on profit	7	5	(6)
(Loss) / profit for the financial year		(20)	31

All of the results are derived from continuing operations.

In the financial year all of the company's operating profit originated in the United Kingdom, where all of its net operating assets were located.

The notes on pages 10 to 22 form part of the financial statements.

Statement of other comprehensive income
for the year ended 31 May 2018

	2018	2017
	€000	€000
(Loss) / profit for the financial year	(20)	31
Total comprehensive income	(20)	31

Balance sheet
at 31 May 2018

	Note	31 May 2018 €000	31 May 2018 €000	31 May 2017 €000	31 May 2017 €000
Current assets					
Trading assets	8	-		-	
Debtors	9	9,635		12,342	
		9,635		12,342	
Creditors: amounts falling due within one year	10	(9,133)		(11,820)	
Net current assets			502		522
Net assets			502		522
Capital and reserves					
Called up share capital	11		-		-
Capital contribution			250		250
Profit and loss account			252		272
Shareholder's funds			502		522

The notes on pages 10 to 22 form part of the financial statements.

These financial statements were approved by the board of directors on 12 December 2018 and were signed on its behalf by:

S.J. Hamilton

S J Hamilton 12/12/18
Director

Registered number 06236632

Statement of changes in equity
for the year ended 31 May 2017

	Share Capital €000	Capital Contribution €000	Profit and loss account €000	Total €000
At 1 June 2016	-	250	241	491
Total comprehensive income	-	-	31	31
At 31 May 2017	**-**	**250**	**272**	**522**

Statement of changes in equity
for the year ended 31 May 2018

	Share Capital €000	Capital Contribution €000	Profit and loss account €000	Total €000
At 1 June 2017	-	250	272	522
Total comprehensive income	-	-	(20)	(20)
At 31 May 2018	**-**	**250**	**252**	**502**

Notes *(forming part of the financial statements)*

1 Accounting policies

Green Hercules Trading Limited (the "Company") is a private, limited liability company incorporated, domiciled and registered in England in the UK. The registered number is 06236632 and the registered address is Velocity 1, Brooklands Drive, Weybridge, Surrey KT13 0SL.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

FRS 102 grants certain exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Designation of previously recognised financial instruments – certain financial assets and liabilities were at 1 June 2014 designated at fair value through profit or loss.
- Lease incentives – for leases commenced before 1 June 2014 the Company continued to account for lease incentives under previous UK GAAP.

The company's ultimate parent undertaking, Cargill, Incorporated includes the company in its consolidated financial statements. The consolidated financial statements of Cargill, Incorporated are prepared in accordance with US GAAP and are available to the public and may be obtained from the address stated in note 14. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cargill, Incorporated include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by fair value accounting and on a going concern basis.

Going Concern

The company has net current assets and a forecast prepared by the directors indicates that the company can meet its liabilities as they fall due for the foreseeable future. On this basis the financial statements have been prepared on a going concern basis.

Net trading income

Under the terms of the risk participation agreement the company passes a proportion of the net income realised on the portfolio to a third party.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at foreign exchange rates ruling at the dates the fair value was determined.

Trading assets

Certified Emissions Reduction certificates are recorded at fair value.

Derivative financial instruments and hedging

Derivative financial instruments are entered into for trading purposes and are recognised at fair value at the balance sheet date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Hedge accounting is not applied.

Dividends on shares presented within shareholders' funds

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

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

1 Accounting policies *(continued)*

Functional currency and presentation currency

The functional currency of the company is the Euro since the majority of sales and purchases of the carbon emission certificate business is denominated in Euros. The presentation currency is the Euro.

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Basic financial instruments

Trade and other debtors / creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

2 Segmental analysis

No segmental analysis is required as the directors are of the opinion that the company's principal activity comprises one segment.

3 Directors' remuneration

The company had no employees during the year *(2017: nil)*. The directors are under contract of employment with Cargill PLC, a related party, and receive no remuneration for services in relation to the company as these services are considered to be incidental.

4 Net Trading Income

	2018	2017
	€000	€000
VER deliveries	**36**	113
Loss on VER contracts	**(2,653)**	(11,801)
Risk participation agreement income	**2,617**	11,689
	-	1

5 Interest payable and similar expenses

	2018	2017
	€000	€000
Amounts derived from group companies	**9**	5
	9	5

6 Auditor's remuneration

The following amounts in respect of auditor's remuneration were charged to the profit and loss account of this company.

	2018	2017
	€000	€000
Auditor's remuneration:		
Audit of these financial statements	**27**	28
	27	28

Notes *(continued)*

7 Taxation

	2018	2017
	€000	€000
Analysis of tax charged in the year		
Current tax		
UK corporation tax at 19.00% *(2017: 19.83%)*	(5)	7
Adjustment in respect of prior periods	-	(1)
Total current tax (credit) / charge	(5)	6

Factors affecting current tax charge in the year

The current tax assessment for the period is less than *(2017: less than)* the standard rate of corporation in the UK of 19.00% *(2017: 19.83%)*

	2018	2017
The differences are explained below:		
(Loss)/Profit after tax	(20)	31
Tax (credit)/charge	(5)	6
(Loss) / profit before tax	(25)	37
(Loss) / profit multiplied by the standard rate of UK corporation tax of 19.00% (2017: 19.83%)	(5)	7
Adjustment in respect of prior periods	-	(1)
Total current tax (credit) / charge	(5)	6

Factors that may affect future current and total tax charges

Recent budgets have announced changes to the main rate of UK corporation tax. The current rate of 19.00% was enacted on 26 October 2015 and applied from 1 April 2017.

A further reduction to the main rate of corporation tax to 17% will apply from 1 April 2020 and was substantively enacted on 15 September 2016.
This reduces the company's future current tax rate accordingly.

Notes *(continued)*

8 Trading assets

	2018 €000	2017 €000
Carbon emissions certificates at fair value	-	-

9 Debtors

	2018 €000	2017 €000
Due within one year		
Amounts owed by group undertakings	524	583
Unrealised losses receivable under the risk participation agreement	9,106	11,759
Other debtors - corporation tax	5	-
	9,635	12,342
Amounts owed by group undertakings comprise:		
Amounts due from non consolidated company	-	27
Short term deposits	524	556
	524	583
Total debtors	9,635	12,342

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2018 €000	2017 €000
Amounts owed to related parties	9,106	11,813
Unrealised losses on derivatives	-	-
Corporation tax	-	7
Accruals and deferred income	27	-
	9,133	11,820

Amounts owed to related parties are repayable on demand.

11 Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2
Shares classified as shareholder's funds	2	2
	2	2

Notes *(continued)*

12 Financial instruments

Exposure to credit, interest rate and currency risks arise in the normal course of the company's business. Derivative financial instruments are used to hedge exposure risk.

(a) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The company does not require collateral in respect of financial assets. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

	31 May 2018		31 May 2017	
	Gross	Impairment	Gross	Impairment
	€000	€000	€000	€000
Debtors				
Not past due	9,635	-	12,342	-
Total	9,635	-	12,342	-

(b) Foreign currency risk

The company is exposed to foreign currency risks on sales, purchases, expenses and borrowings that are denominated in a currency other than the Euro. The currencies giving rise to this risk are primarily US Dollars and Sterling. The company hedges its estimated foreign currency exposure. As at 31 May 2018 no hedging instruments were in place *(31 May 2017: no hedging instruments were in place).*

In respect of other monetary assets and liabilities held in currencies other than Euros, the company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the profit and loss account. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to monetary items are recognised as part of trading income.

Notes *(continued)*

12 Financial instruments *(continued)*

(b) Foreign currency risk *(continued)*

	GBP €000	USD €000	Euro €000	Total €000
As at 31 May 2018				
Trade and other receivables	**(164)**	**(225)**	**10,024**	**9,635**
Trading assets and derivatives	**-**	**-**	**-**	**-**
Trade and other payables	**(27)**		**(9,106)**	**(9,133)**
Derivative liabilities	**-**	**-**	**-**	**-**
Net exposure	**(191)**	**(225)**	**918**	**502**
As at 31 May 2017				
Trade and other receivables	(133)	(228)	944	583
Trading assets and derivatives	-	-	11,759	11,759
Trade and other payables	(7)	-	(11,813)	(11,820)
Derivative liabilities	-	-	-	-
Net exposure	(140)	(228)	890	522

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
Euro	2018	2017	2018	2017
1 US Dollar	1.1901	1.0903	1.1716	1.1185
1 British Pound	0.8859	0.8519	0.8786	0.8731

(c) Interest rate risk

From time to time the company hedges its exposure to interest rate risk. As at 31 May 2018 no hedging instruments were in place *(2017: none)*.

Notes *(continued)*

12 Financial instruments *(continued)*

(d) Market risk

Sensitivity analysis

As of 31 May 2018 the stress sensitivity analysis reported to the company indicated that a 10% adverse movement in the market price would have resulted in zero effect on the profit and loss account related to the trading positions (including the forecast of forward CER exposure from our off-take agreements). A sensitivity analysis of ten percent relates to management's assessment of the reasonable possible price movements in the market over a multi-day holding period and is reflective of liquidity and volatility.

(e) Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

As at 31 May 2018	**Carrying value €000**	**Contracted cashflows €000**	**Twelve months or less €000**	**Greater than twelve months €000**
Non-derivative financial instruments				
Trade and other payables	9,133	9,133	9,133	-
Total	9,133	9,133	9,133	-
Derivative financial instruments				
Unrealised losses on derivatives	-	-	-	-
Total	-	-	-	-

As at 31 May 2017	Carrying value €000	Contracted cashflows €000	Twelve months or less €000	Greater than twelve months €000
Non-derivative financial instruments				
Trade and other payables	11,820	11,820	11,820	-
Total	11,820	11,820	11,820	-
Derivative financial instruments				
Unrealised losses on derivatives	-	-	-	-
Total	-	-	-	-

Notes *(continued)*

12 Financial instruments *(continued)*

(f) Fair values

Categories of financial assets and liabilities

The fair values together with the carrying amounts shown in the balance sheet are as follows;

	31 May 2018		31 May 2017	
	€000	€000	€000	€000
	Carrying amount	Fair value	Carrying amount	Fair value
	€000	€000	€000	€000
Financial assets designated as fair value through profit and loss				
- Guaranteed (quoted price)	9,106	9,106	11,759	11,759
- Non-Guaranteed (adjusted quoted price)	-	-	-	-
	9,106	9,106	11,759	11,759
Other loans and receivables	529	529	583	583
Total financial assets	9,635	9,635	12,342	12,342
Financial liabilities designated as fair value through profit and loss				
- Guaranteed (quoted price)	-	-	-	-
- Non-Guaranteed (adjusted quoted price)	-	-	-	-
	-	-	-	-
Other financial liabilites measured at amortised cost	(9,133)	(9,133)	(11,820)	(11,820)
Total financial liabilites	(9,133)	(9,133)	(11,820)	(11,820)
Total financial instruments	502	502	522	522

For all assets and liabilities not held at fair value the carrying value is deemed to be fair value due to the short term nature of the position.

Verified Emission Reductions certificates are recorded at fair value which is the market price prevailing at the reporting date. The market price is currently deemed to be zero as the market is inactive with very few trading opportunities. The unrealised loss taken on the VER's is offset with an unrealised gain due to the risk participation agreement with A&C Holdings.

Notes *(continued)*

13 Related parties transactions

Cargill, Incorporated has provided 20% of the capital required by A & C Holdings Limited. As explained in the directors' report the company has entered into a risk participation agreement with A & C Holdings Limited.

	2018 €000	2017 €000
Amounts receivable by Green Hercules Trading Limited from:		
A & C Holdings Limited	9,106	11,786
Amounts payable by Green Hercules Trading Limited to:		
A & C Holdings Limited	9,106	11,813
Unrealised loss / (gain) between Green Hercules Trading Limited and:		
A & C Holdings Limited	(2,653)	(11,802)
Realised (loss) / gain between Green Hercules Trading Limited and:		
A & C Holdings Limited	2,617	11,689
Non derivative expenses charged between Green Hercules Trading Limited and:		
A & C Holdings Limited	48	104

14 Ultimate holding company and parent undertaking

The immediate parent undertaking of Green Hercules Trading Limited is Cargill Holdings, a company incorporated in Great Britain and registered in England and Wales at Velocity 1, Brooklands Drive, Weybridge, Surrey, KT13 0SL. Cargill, Incorporated is the ultimate parent undertaking of Green Hercules Trading Limited and is regarded by the directors as being the company's ultimate controlling party. The registered number is 0286124 and the registered address is Corporation Trust, 1209 Orange Street, Wilmington, Delaware 19801.

The parent undertaking of the smallest and largest group into which the accounts of the company are consolidated is Cargill, Incorporated, a company incorporated in the USA. The consolidated financial statements of this company are lodged at Companies House, Crown Way, Cardiff, CF4 3UZ.