

Company registration number 01315556 (England and Wales)

**CROWN OIL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

# CROWN OIL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A D Greensmith M C Greensmith A A Rayner A J Greenhalgh M C Andrews J Taylor
<b>Secretary</b>	A A Rayner
<b>Company number</b>	01315556
<b>Registered office</b>	The Oil Centre Bury New Road Heap Bridge Bury Lancashire United Kingdom BL9 7HY
<b>Auditor</b>	Azets Audit Services Ship Canal House 98 King Street Manchester M2 4WU
<b>Bankers</b>	Barclays Bank plc 1st floor 3 Hardman Street Spinningfields Manchester United Kingdom M3 3HF
<b>Solicitors</b>	BBS Law Ltd First Floor, The Edge Clowes Street Manchester United Kingdom M3 5NA

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# CROWN OIL LIMITED

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# **CROWN OIL LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2023**

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The directors present the strategic report for the year ended 31 July 2023.

#### **Section 172 of Companies Act 2006**

Section 172 of the Companies Act 2006 sets out a number of general duties that directors owe to a company. These includes a general duty requiring directors to act in a way in which they consider, in good faith, will promote the success of the company for the benefit of shareholders as a whole.

In doing so a director of a company must have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term;
- b. The interests of the company's employees;
- c. The need to foster the company's business relationships with suppliers, customers and others;
- d. The impact of the company's operations on the community and the environment;
- e. The desirability of the company maintaining a reputation for high standards of business conduct; and
- f. The need to act fairly as between members of the company.

Further detail on the performance of the business during the year and the longer-term activity is provided in this strategic report.

#### **Business review**

The Directors are pleased with the results for the year, this has been a strong year and is significantly ahead of the targets set by the board at the beginning of the year. All the areas targeted for growth by the board have been successfully achieved.

Crown was officially certified as Carbon Neutral in April 22 and are committed to the target of Net Zero Carbon by 2030. Crown has delivered carbon cutting solutions both internally to our offices and fleet, and externally to our customer base.

The shift from traditional to green fuels within our existing customer portfolio has continued to move forward, with many customers being drawn to the benefits of using our HVO, or buying one of our Carbon Offset fuels to reduce their carbon footprint.

Due to supply difficulties encountered in the market, the business made the decision in the previous financial year to change its traditional model of purchasing to one that included a greater emphasis on the bulk import of fuel products in order to alleviate supply issues for the company and assist in the continued provision of supplies to the customer base. This new model has proved to be a success, and has continued for the whole of this financial year.

# **CROWN OIL LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

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### **Developments and future outlook**

The company has continued in its long-term aim of strengthening both its infrastructure and staff resource throughout the year with further appointments being made in specific areas; This is a process that will continue in line with the organic growth of the company over the coming years.

The long-term strategy of the Company continues to be targeted investment to enable the delivery of exceptional service levels to the customer base and prospective new markets at all levels of the business.

Crown has continued investment in to the supply and use of renewable and sustainable fuels to meet legislated change, in particular Hydrotreated Vegetable Oil (HVO). The board sees the considerable environmental benefits from use, with a reduction of up to 90% greenhouse gas emissions and reducing the NOx, PM and CO emissions.

The board accepts that the sector in which it trades is considered to be a polluting one but efforts have been made to reduce this impact, and emissions on fuel used for deliveries have been offset by the company for over a decade. However, the board has accepted for some years that it must do more.

Having made the changes to our entire HGV fleet in 20-21, we have continued to run our tanker fleet on HVO resulting in a reduction of circa 80-90% of our carbon footprint. We have now moved on to the third year of a budgeted program of works and during the year have completed initiatives such as solar panel installation on all our Bury properties, provision of electric charging points for staff cars, provision of Carbon offset fuel alternatives for customers, installation of air source heat pumps and upgrade to other efficient electrical devices in our offices, and have initiated the switch to green electric supplies for all our offices and depots. These will help us work towards the goal of becoming Net-Zero Carbon by 2030.

### **Principal risks and uncertainties**

Crown uses financial instruments; these include cash, loans and other various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks. The Directors review and agree policies for managing each of these risks which have remained unchanged from previous years, and are described in more detail below.

#### **Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

#### **Interest rate risk**

The Company finances its operations through a combination of retained profits, directors' current accounts, other loans and cash. The Company manages its exposure to interest rate fluctuations on its finance leases by entering into fixed rate agreements.

#### **Credit risk**

The Company's principal financial assets are cash and trade debtors. The risk associated with cash is limited. The principal credit risks arise therefore from trade debtors.

The price of oil has a direct impact upon the value of debt incurred on a supply. A relatively low base commodity price of oil can have a positive impact upon the risks associated with trade debtors whereas a higher price can increase the risk.

In order to manage credit risk, the directors set limits for its customers based on a combination of payment history, third party credit references and commercial credit insurance availability. Credit limits are reviewed by the credit manager on a regular basis in conjunction with debt ageing, collection history and the continued availability of credit insurance on individual customers.

# **CROWN OIL LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

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### **Currency risk**

The Company is exposed to transaction foreign exchange risk.

Less than 1% of the Company's sales are transacted in foreign currency.

Prior to 2022, the majority of purchases were made in Sterling. During the prior financial year, we started to purchase much larger quantities of imported bulk fuels which are priced in Dollars. This has continued throughout the current financial year. For the year ended 31 July 2023, 30% of purchases were made in US dollars (PY 33%).

### **Environmental and regulatory Risk**

The Company is exposed to environmental and regulatory risks due to the nature of the products it stores, transports and delivers. The sector in which the company operates is heavily regulated and monitored and the Company ensures that it complies with all relevant laws and standards and has procedures and policies in place to manage the position. In addition, insurance policies are taken out to assist in mitigating any unforeseen events.

### **Commodity price risk**

Approximately 75% of the company's fuel purchases is on a spot basis as is the case throughout the sector, accordingly any market movement to the costs price is reflected in the subsequent sale price and as such poses little, if any, commodity price risk.

With regard to imports, the company is open to price risks but in order to mitigate this a hedging policy is adopted that reduces any potential risk to a manageable level should there be any adverse movement in the underlying cost price. This policy was in place throughout the year and is constantly monitored by the business in order to identify any additional risks so that they can be mitigated quickly.

### **KPI's**

The company has made good progress throughout the year in relation to the key elements of its strategy. The Board monitors the progress of the Company using the following Key Performance Indicators:

- Number of orders taken.
- Quantity delivered, by product and location.
- Debtor days and Debtors aging profile.
- Creditor days and Creditor aging profile.
- Gross Profit margin per product line.
- Overall balance sheet strength.

Performance is measured against the prior year and prior month for each of these measures, and has been satisfactory for the current year. Management continues to monitor these KPIs on a monthly basis and any significant variance is acted upon promptly.

### **Carbon and Energy Report**

The company has taken the exemptions available to it from disclosing its own Streamlined Energy and Carbon Report, on the grounds that its contents are included within the group disclosure found within Crown Oil Holdings Limited.

On behalf of the board

M C Greensmith  
**Director**

19 December 2023

# CROWN OIL LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JULY 2023**

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The directors present their annual report and financial statements for the year ended 31 July 2023.

### **Principal activities**

The principal activity of the company continued to be that of the wholesale of fuels and related products.

### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £14,440,000. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A D Greensmith  
M C Greensmith  
A A Rayner  
A J Greenhalgh  
M C Andrews  
J Taylor

### **Auditor**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**CROWN OIL LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 JULY 2023***

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On behalf of the board

M C Greensmith  
**Director**

19 December 2023

# CROWN OIL LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROWN OIL LIMITED

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### Opinion

We have audited the financial statements of Crown Oil Limited (the 'company') for the year ended 31 July 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 at least twelve 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.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

# **CROWN OIL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CROWN OIL LIMITED**

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#### **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 the 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 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

# **CROWN OIL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CROWN OIL LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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.

**Graham Rigby**  
**Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services**

19 December 2023

**Chartered Accountants**  
**Statutory Auditor**

Ship Canal House  
98 King Street  
Manchester  
M2 4WU

# CROWN OIL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	422,773,865	428,590,805
Cost of sales		(384,674,420)	(388,104,740)
<b>Gross profit</b>		<b>38,099,445</b>	<b>40,486,065</b>
Distribution costs		(5,306,010)	(4,885,048)
Administrative expenses		(15,368,913)	(15,374,663)
Other operating income		206,425	250,925
<b>Operating profit</b>	<b>4</b>	<b>17,630,947</b>	<b>20,477,279</b>
Interest receivable and similar income	<b>7</b>	2,010,161	2,922,877
Interest payable and similar expenses	<b>8</b>	(1,062,901)	(206,205)
<b>Profit before taxation</b>		<b>18,578,207</b>	<b>23,193,951</b>
Tax on profit	<b>9</b>	(4,048,000)	(4,036,094)
<b>Profit for the financial year</b>		<b>14,530,207</b>	<b>19,157,857</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# CROWN OIL LIMITED

## BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		585,000		852,500
Other intangible assets	11		39,422		-
			<u>624,422</u>		<u>852,500</u>
Total intangible assets			624,422		852,500
Tangible assets	12		7,517,965		5,380,369
			<u>8,142,387</u>		<u>6,232,869</u>
<b>Current assets</b>					
Stocks	13	20,631,559		21,100,385	
Debtors	14	67,048,209		67,886,924	
Investments	15	9,567,932		8,913,087	
Cash at bank and in hand		15,958,676		5,747,418	
		<u>113,206,376</u>		<u>103,647,814</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(93,692,485)</u>		<u>(82,394,268)</u>	
<b>Net current assets</b>			<u>19,513,891</u>		<u>21,253,546</u>
<b>Total assets less current liabilities</b>			<u>27,656,278</u>		<u>27,486,415</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(6,618)		-
<b>Provisions for liabilities</b>					
Provisions	19	915,393		915,393	
Deferred tax liability	18	73,038		-	
		<u>(988,431)</u>		<u>(915,393)</u>	
<b>Net assets</b>			<u>26,661,229</u>		<u>26,571,022</u>
<b>Capital and reserves</b>					
Called up share capital	21		25,000		25,000
Share premium account			25,000		25,000
Other reserves	22		2,362,859		2,362,859
Profit and loss reserves			24,248,370		24,158,163
			<u>26,661,229</u>		<u>26,571,022</u>
<b>Total equity</b>			<u>26,661,229</u>		<u>26,571,022</u>

**CROWN OIL LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 JULY 2023**

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The financial statements were approved by the board of directors and authorised for issue on 19 December 2023 and are signed on its behalf by:

M C Greensmith  
**Director**

**Company Registration No. 01315556**

## CROWN OIL LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 August 2021</b>	25,000	25,000	2,082,859	22,889,906	25,022,765
<b>Year ended 31 July 2022:</b>					
Profit and total comprehensive income for the year	-	-	-	19,157,857	19,157,857
Dividends	10	-	-	(17,609,600)	(17,609,600)
Transfers	-	-	280,000	(280,000)	-
<b>Balance at 31 July 2022</b>	25,000	25,000	2,362,859	24,158,163	26,571,022
<b>Year ended 31 July 2023:</b>					
Profit and total comprehensive income for the year	-	-	-	14,530,207	14,530,207
Dividends	10	-	-	(14,440,000)	(14,440,000)
<b>Balance at 31 July 2023</b>	25,000	25,000	2,362,859	24,248,370	26,661,229

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies

#### Company information

Crown Oil Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Oil Centre, Bury New Road, Heap Bridge, Bury, Lancashire, United Kingdom, BL9 7HY.

The principal activity of the company continued to be that of a fuel distributor and supplier of other oil based products.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors consider that the current and forecasted levels of cash will be sufficient to meet the company's liabilities as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In reaching this conclusion, the directors have considered the expected future performance of the company compared to its budgeted performance up to the date of signing the financial statements, the financial position of the company at the balance sheet date, the timing of repayments to related parties, and the expected future cash flows of the company in the 12 months following the date of signing the financial statements.

The directors continually monitor the company's cash reserves, and operate a central treasury function for the group, whereby cash surpluses can be distributed around the group as necessary to meet current cash requirements. The company has little external debt and are able to call upon funds from related parties if required.

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5-10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years
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# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies (Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	15% reducing balance
Plant and equipment	15% reducing balance
Office equipment	25% reducing balance
Fixture and fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and changes in fair value are recognised in the statement of profit and loss.

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

---

### 1 Accounting policies

(Continued)

#### **Current asset investments**

As a supplier of sustainable biofuels the group holds a number of Renewable Transport Fuel Certificates (RTFCs) which are claimed at the point of sale of fuel generated from renewable sources. These RTFC's can either be used to meet the group's own Renewable Transport Fuel Obligations (RTFOs) or sold on to other suppliers of fossil transport fuels. Since RTFCs are readily tradeable on an open market, they are held at market value (or contractual sales value if applicable) at the balance sheet date. Gains and losses on the sale of RTFCs are reported as fair value movements through profit and loss.

Assets and liabilities arising from RTFC's and RTFO's are shown net in the financial statements, where it is the companies intention to settle the transactions together.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including hedging instruments, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. Changed in the fair value of derivatives are recognised in the statement of profit and loss.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies

(Continued)

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Provision for doubtful debts*

The directors have reviewed the trading balances owing to the company from its customers and made as adequate but not excessive provision for any debts where it is considered probable that the amount will not be recovered. The amounts would have otherwise been recognised in trade debtors.

#### *Gas accruals*

An accrual is made for gas obligations requiring management's best estimate of costs that will be incurred in respect of gas supplied to customers. The volume of unbilled costs is calculated by assessing a number of factors such as externally notified aggregated volumes supplied to customers and other adjustments such as industry settlement processes.

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 3 Turnover

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Fuel distribution	390,926,492	358,337,569
Mains gas supplies	31,847,373	70,253,236
	<u>422,773,865</u>	<u>428,590,805</u>

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(44,626)	503,185
Fees payable to the company's auditor for the audit of the company's financial statements	39,950	21,300
Fees payable to the company's auditor for non audit services	9,950	9,700
Depreciation of owned tangible fixed assets	1,423,668	1,023,271
Profit on disposal of tangible fixed assets	(1,937)	(26,523)
Amortisation of intangible assets	268,168	295,000
Operating lease charges	396,064	288,808
	<u>396,064</u>	<u>288,808</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Administrative	95	85
Sales and distribution	117	110
Total	<u>212</u>	<u>195</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	7,506,564	7,236,071
Social security costs	1,276,935	1,183,117
Pension costs	415,216	286,126
	<u>9,198,715</u>	<u>8,705,314</u>

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

<b>6</b>	<b>Directors' remuneration</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	2,170,267	3,446,734
	Company pension contributions to defined contribution schemes	20,233	46,862
		<u>2,190,500</u>	<u>3,493,596</u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	1,330,669	1,120,942
		<u>1,330,669</u>	<u>1,120,942</u>
<b>7</b>	<b>Interest receivable and similar income</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Other interest income	2,010,161	787,308
	<b>Income from fixed asset investments</b>		
	Income from shares in group undertakings	-	2,135,569
	Total income	<u>2,010,161</u>	<u>2,922,877</u>
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Interest on bank facilities	939,148	196,837
	Interest payable to group undertakings	120,854	5,416
	Interest on finance leases and hire purchase contracts	2,899	3,952
		<u>1,062,901</u>	<u>206,205</u>
<b>9</b>	<b>Taxation</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	3,180,413	3,891,095
	Adjustments in respect of prior periods	(87,068)	61,875
	Total current tax	<u>3,093,345</u>	<u>3,952,970</u>

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

9 Taxation	(Continued)	
	2023	2022
	£	£
<b>Deferred tax</b>		
Origination and reversal of timing differences	937,600	78,205
Adjustment in respect of prior periods	17,055	4,919
	<u>954,655</u>	<u>83,124</u>
Total deferred tax	954,655	83,124
	<u>4,048,000</u>	<u>4,036,094</u>
Total tax charge	4,048,000	4,036,094

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	18,578,207	23,193,951
	<u>18,578,207</u>	<u>23,193,951</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 21.01% (2022: 19.00%)	3,902,441	4,406,851
Tax effect of expenses that are not deductible in determining taxable profit	79,608	23,429
Tax effect of income not taxable in determining taxable profit	-	(405,758)
Adjustments in respect of prior years	(87,068)	61,875
Effect of change in corporation tax rate	149,810	18,770
Permanent capital allowances in excess of depreciation	29,428	-
Depreciation on assets not qualifying for tax allowances	31,195	15,760
Deferred tax adjustments in respect of prior years	17,055	4,919
Super deduction allowance	(74,469)	(89,752)
	<u>4,048,000</u>	<u>4,036,094</u>
Taxation charge for the year	4,048,000	4,036,094

10 Dividends	2023	2022
	£	£
Final dividends	14,440,000	11,890,000
Dividends in specie	-	5,719,600
	<u>14,440,000</u>	<u>17,609,600</u>
	14,440,000	17,609,600

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 11 Intangible fixed assets

	Purchased goodwill	Software	Total
	£	£	£
<b>Cost</b>			
At 1 August 2022	3,550,000	-	3,550,000
Additions	-	40,090	40,090
At 31 July 2023	3,550,000	40,090	3,590,090
<b>Amortisation and impairment</b>			
At 1 August 2022	2,697,500	-	2,697,500
Amortisation charged for the year	267,500	668	268,168
At 31 July 2023	2,965,000	668	2,965,668
<b>Carrying amount</b>			
At 31 July 2023	585,000	39,422	624,422
At 31 July 2022	852,500	-	852,500

### 12 Tangible fixed assets

	Leasehold improvements	Plant and office equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 August 2022	835,004	4,033,258	1,301,348	4,924,237
Additions	886,046	524,591	238,413	2,100,533
Disposals	(43,184)	(142,838)	(312,130)	(979,850)
At 31 July 2023	1,677,866	4,415,011	1,227,631	6,044,920
<b>Depreciation and impairment</b>				
At 1 August 2022	278,344	1,885,067	914,301	2,635,766
Depreciation charged in the year	158,728	348,039	124,277	792,624
Eliminated in respect of disposals	(38,327)	(131,502)	(290,489)	(829,365)
At 31 July 2023	398,745	2,101,604	748,089	2,599,025
<b>Carrying amount</b>				
At 31 July 2023	1,279,121	2,313,407	479,542	3,445,895
At 31 July 2022	556,660	2,148,191	387,047	2,288,471

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Motor vehicles	124,558	98,776
	<u>          </u>	<u>          </u>

### 13 Stocks

	2023	2022
	£	£
Raw materials and consumables	20,631,559	21,100,385
	<u>          </u>	<u>          </u>

### 14 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	19,479,054	34,876,797
Corporation tax recoverable	1,903,987	-
Amounts due from group undertakings	31,991,672	17,823,248
Amounts owed by related undertakings	1,000,905	516,479
Other debtors	2,291,863	3,334,219
Prepayments and accrued income	7,130,728	7,204,564
	<u>          </u>	<u>          </u>
Deferred tax asset (note 18)	63,798,209	63,755,307
	-	881,617
	<u>          </u>	<u>          </u>
	<u>63,798,209</u>	<u>64,636,924</u>

	2023	2022
	£	£
<b>Amounts falling due after more than one year:</b>		

Amount due from related parties	3,250,000	3,250,000
	<u>          </u>	<u>          </u>

<b>Total debtors</b>	<u>67,048,209</u>	<u>67,886,924</u>
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### 15 Current asset investments

	2023	2022
	£	£
Renewable Transport Fuel Certificates	9,567,932	8,913,087
	<u>          </u>	<u>          </u>

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Invoice discounting advances	-	4,385,050
Obligations under finance leases	74,297	17,521
Trade creditors	12,526,903	16,982,909
Amounts due to group undertakings	23,676,488	21,335,671
Amounts owed to related undertakings	3,759	215,929
Corporation tax	-	497,290
Other taxation and social security	2,349,003	8,823,699
Directors' current accounts	30,407,636	2,955,029
Other creditors	7,906,360	7,792,132
Accruals and deferred income	16,748,039	19,389,038
	<u>93,692,485</u>	<u>82,394,268</u>

Obligations under finance leases are secured upon the assets to which they relate.

### 17 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Obligations under finance leases	<u>6,618</u>	<u>-</u>

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023	Liabilities 2022	Assets 2023	Assets 2022
	£	£	£	£
<b>Balances:</b>				
Accelerated capital allowances	411,866	-	-	(888,422)
Other timing differences	(338,828)	-	-	1,770,039
	<u>73,038</u>	<u>-</u>	<u>-</u>	<u>881,617</u>
				<b>2023</b>
<b>Movements in the year:</b>				<b>£</b>
Asset at 1 August 2022				(881,617)
Charge to profit or loss				954,655
				<u>73,038</u>
Liability at 31 July 2023				<u>73,038</u>

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

<b>19 Provisions for liabilities</b>		
	<b>2023</b>	<b>2022</b>
	£	£
Environmental provision	915,393	915,393
	<u>          </u>	<u>          </u>

<b>20 Retirement benefit schemes</b>		
	<b>2023</b>	<b>2022</b>
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	415,216	286,126
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

<b>21 Share capital</b>				
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 10p each	25,000	25,000	2,500	2,500
E Ordinary shares of 10p each	150,000	150,000	15,000	15,000
P Ordinary shares of 10p each	75,000	75,000	7,500	7,500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	250,000	250,000	25,000	25,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The rights attached to the share classes are as described in the company's articles of association.

## 22 Other reserves

Total reserves contains £2,362,859 (2022: £2,362,859) of non-distributable reserves.

The balance includes £490,000 (2022: £490,000) relating to non-qualifying consideration which arises on disposal during the year of investment properties that have previously been revalued. Of this total, £210,000 was held in a separate reserve as a revaluation of tangible fixed assets, plus £280,000 was recorded as a fair value movement through profit and loss reserves.

The remaining balance is made up of £1,872,859 (2022: £1,872,859) relating to the capital redemption that took place historically.

# CROWN OIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 23 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	235,803	315,856
Between two and five years	771,922	1,048,319
In over five years	661,315	840,000
	<u>1,669,040</u>	<u>2,204,175</u>

#### Lessor

The operating leases represent leases of tanks and laboratory space to a group entity. The leases are negotiated over terms of 3 years and rentals are fixed for the duration.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2023	2022
	£	£
Within one year	131,368	-
Between two and five years	253,378	-
	<u>384,746</u>	<u>-</u>

### 24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	<u>4,218,000</u>	<u>2,769,851</u>

## CROWN OIL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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#### 25 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102, section 33, and has not disclosed transactions with fellow group undertakings.

The following amounts were outstanding at the reporting end date:

At the balance sheet date, £9,875,404 (2022: £3,088,096 was due to) was due from Crown Oil Holdings Limited, the parent entity. The amount is unsecured and repayable on demand.

At the balance sheet date, £17,879,141 (2022: £17,823,248) was due from Crown Oil Treasury Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £1,856,500 (2022: £1,209,881) was due to Beesley Fuels Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £3,817,750 (2022: £2,341,423) was due to Crown Oil (Environmental) Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £11,267,511 (2022: £9,974,793) was due to Speedy Fuels Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £2,713,453 (2022: £4,705,881) was due to Nationwide Fuels and Lubricants Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £12,347 (2022: £12,000) to Crown Oil Investments Limited, a company related by common familial control. Additionally, interest was charged at an arms' length basis of £285,928 (2022: £229,823) on loan advances. At the balance sheet date, £3,421,616 (2022: £3,273,091) was due from Crown Oil Investments Limited. Due to the nature of the loan being long term, this balance has been disclosed as due in more than one year.

During the year, the company made sales (including management charges) of £705,816 (2022: £204,969) to, and made purchases of £5,000 (2022: £nil) from Crown Energy Limited, a company related by common familial control. At the balance sheet date, £101,260 (2022: £199,097) was due from Crown Energy Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales of £348,964 (2022: £301,469) to, and made purchases of £16,456 (2022: £nil) from, Crown Performance Additives Limited, a company related by common familial control. At the balance sheet date, £66,857 (2022: £153,793) was due to Crown Performance Additives Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £323,983 (2022: £563,540) to, and made purchases of £20,772 (2022: £19,463) from, General All Purpose Plastics Limited, a company related by significant familial influence. At the balance sheet date, £35,326 (2022: £157,629) was due from General All Purpose Plastics Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £222,852 (2022: £46,517) to Gas and Electricity Connections Limited, a company related by common familial control. At the balance sheet date, £36,268 (2022: £45,209) was due from Gas and Electricity Connections Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £149,870 (2022: £122,120) to, and made purchases of £nil (2022: £1,124) from Crown Gas and Power Limited, a company related by common familial control. At the balance sheet date, £261,321 (2022: £45,543) was due from Crown Gas and Power Limited. The amount is unsecured and repayable on demand.

## CROWN OIL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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#### 25 Related party transactions

(Continued)

During the year, the company made sales (including management charges) of £236,790 (2022: £200,038) to, and made purchases of £nil (2022: £987) from Exchange Utility Limited, a company related by common familial control. At the balance sheet date, £46,691 (2022: £42,749) was due from Exchange Utility Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £18,908 (2022: £nil) to, and advanced loans of £82,650 (2022: £nil) to Heysham Industries Limited, a company related by common familial control. At the balance sheet date, £88,314 (2022: £nil) was due from Heysham Industries Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £68,791 (2022: £nil) to GFIC Properties Limited, a company related by common familial control. At the balance sheet date, £68,791 (2022: £nil) was due from GFIC Properties Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £124,228 (2022: £74,845) to Caspian Assured Limited, a company related by common familial control. At the balance sheet date, £149,416 (2022: £24,841) was due from Caspian Assured Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £48,660 (2022: £28,438) to, and made purchases of £8,124 (2022: £nil) from AMA FIC Limited, a company related by common familial control. At the balance sheet date, £1,862 (2022: £25,444 was due from) was due to AMA FIC Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales of £11,411 (2022: £560) to, and was charged rent of £98,625 (2022: £199,334) from Crown Oil Property Limited, a company related by common familial control. At the balance sheet date, £58,389 (2022: £11,989) was due to Crown Oil Property Limited. The amount is unsecured and repayable on demand.

During the year, the company made sales (including management charges) of £28,414 (2022: £23,303) to Crown Oil House LLP, a company related by common familial control. At the balance sheet date, £815 (2022: £22,852) was due from Crown Oil House LLP. The amount is unsecured and repayable on demand.

#### 26 Parent company

The directors consider the immediate parent undertaking to be Crown Oil Holdings Limited, a company registered in England and Wales. In the prior year, the company was the ultimate parent of the group now headed by Crown Oil Holdings Limited. The ultimate controlling party remains unchanged from the Greensmith family.

Copies of the group financial statements can be found from Companies House, Crown Way, Cardiff, CF14 3UZ.

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