

Company registration number 01315556 (England and Wales)

CROWN OIL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

CROWN OIL LIMITED

COMPANY INFORMATION

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

CROWN OIL LIMITED

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 29

CROWN OIL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

The directors present the strategic report for the year ended 31 July 2022.

Section 172 of the 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 very 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 gather pace at a phenomenal rate, 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 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 group and assist in the continued provision of supplies to the customer base.

The significant increases in volume sold on our green products, together with sales we picked up due to the availability of stock in periods of shortage, have led to an increase in Turnover and Debtor balances for Crown compared to the prior years.

CROWN OIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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 group over the coming years.

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 second year of a budgeted program of works and started initiatives such as electric charging points for staff cars, provision of Carbon offset fuel alternatives for customers, installation of air source heat pumps and upgrade to other inefficient 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 Crown 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

Crown 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

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

Credit risk

Crown's principle 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 2022

Currency risk

Crown is exposed to transaction foreign exchange risk.

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

In prior years the majority of purchases were made in Sterling, but as already noted we have purchased much larger quantities of imported bulk fuels which are priced in Dollars. For the year ended 31 July 2022, 33% of purchases were made in US dollars.

Environmental and regulatory Risk

Crown is exposed to Environmental Risks due to the nature of the products it stores, transports and delivers. The sector in which Crown operates is heavily regulated and monitored and Crown 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 Crown 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.

CROWN OIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Carbon and Energy Report

Crown's activities resulted in consumption of 991 tonnes (scope 1) of carbon dioxide during the year in the delivery of fuel to customer destinations (2021: 1,805 tonnes).

The directors are pleased to report that this reduced consumption represents an improvement on the equivalent figure for the previous two financial years.

In addition, Crown purchased 398,475 kWh of electricity for its own use (scope 2) (2021: 412,042 kWh), primarily for the purpose of providing heat and light to its premises. The directors continue to monitor the usage of energy across the company, with a view to reducing the carbon footprint where possible.

In an effort to mitigate the company's carbon emissions and use resources more responsibly, Crown has implemented or committed to the following initiatives:

- Switched the group's entire tanker fleet from Diesel to HVO fuel in July 2021. Carbon credits are to be purchased for residual fuel usage to ensure all group fuel deliveries are carbon neutral. This is expected to reduce the group's current carbon footprint by up to 90%.
- Crown has used carbon credits to offset tanker mileage since 2007.
- Investment in a clean, modern fleet for maximum efficiency.
- Provision of electrical alternatives for company cars.
- Pledge to run all owned office buildings on renewable energy by the end 2023
- Recycle all waste, paper, toners and old IT equipment.
- Recycle all barrels and collect customers' empty barrels to reuse them.
- Range of educational resources to help customers understand greener fuels, including virtual webinars and one-to-one support.
- Reduce the amount of paper used during the day to day running of the business.

On behalf of the board

M C Greensmith
Director

19 December 2022

CROWN OIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2022

The directors present their annual report and financial statements for the year ended 31 July 2022.

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 7.

Ordinary dividends were paid amounting to £17,609,600 (2021: £16,489,781). 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 2022

On behalf of the board

M C Greensmith
Director

19 December 2022

CROWN OIL LIMITED

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

Opinion

We have audited the financial statements of Crown Oil Limited (the 'company') for the year ended 31 July 2022 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 2022 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

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

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 2022

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 2022

	Notes	2022 £	2021 £
Turnover	3	428,590,805	244,211,350
Cost of sales		(388,104,740)	(214,780,098)
Gross profit		40,486,065	29,431,252
Distribution costs		(4,885,048)	(2,251,876)
Administrative expenses		(15,374,663)	(7,621,444)
Other operating income		250,925	353,233
Operating profit	4	20,477,279	19,911,165
Interest receivable and similar income	8	2,922,877	3,719,311
Interest payable and similar expenses	9	(206,205)	(262,376)
Changes in the fair value of investment properties	10	-	280,000
Profit before taxation		23,193,951	23,648,100
Tax on profit	11	(4,036,094)	(3,489,337)
Profit for the financial year		19,157,857	20,158,763

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 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	13		852,500		1,147,500
Tangible assets	14		5,380,369		4,187,665
Investment properties	15		-		600,000
Investments	16		-		7,914,004
			<u>6,232,869</u>		<u>13,849,169</u>
Current assets					
Stocks	17	21,100,385		5,443,134	
Debtors	18	67,886,924		53,748,858	
Investments	19	8,913,087		4,467,342	
Cash at bank and in hand		5,747,418		22,645,631	
		<u>103,647,814</u>		<u>86,304,965</u>	
Creditors: amounts falling due within one year	20	<u>(82,394,268)</u>		<u>(74,198,456)</u>	
Net current assets			<u>21,253,546</u>		<u>12,106,509</u>
Total assets less current liabilities			<u>27,486,415</u>		<u>25,955,678</u>
Creditors: amounts falling due after more than one year	21		-		(17,520)
Provisions for liabilities					
Provisions	23	<u>915,393</u>	<u>(915,393)</u>	<u>915,393</u>	<u>(915,393)</u>
Net assets			<u><u>26,571,022</u></u>		<u><u>25,022,765</u></u>
Capital and reserves					
Called up share capital	25		25,000		25,000
Share premium account			25,000		25,000
Other reserves	27		2,362,859		2,082,859
Profit and loss reserves			24,158,163		22,889,906
Total equity			<u><u>26,571,022</u></u>		<u><u>25,022,765</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19 December 2022 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 2022

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 August 2020		1,897,859	25,000	210,000	21,093,783	23,226,642
Year ended 31 July 2021:						
Profit and total comprehensive income for the year		-	-	-	20,158,763	20,158,763
Dividends	12	-	-	-	(16,489,781)	(16,489,781)
Own shares acquired (as restated)	25	(1,872,859)	-	1,872,859	(1,872,859)	(1,872,859)
Balance at 31 July 2021 (as restated)		25,000	25,000	2,082,859	22,889,906	25,022,765
Year ended 31 July 2022:						
Profit and total comprehensive income for the year		-	-	-	19,157,857	19,157,857
Dividends	12	-	-	-	(17,609,600)	(17,609,600)
Transfers		-	-	280,000	(280,000)	-
Balance at 31 July 2022		25,000	25,000	2,362,859	24,158,163	26,571,022

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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 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

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies **(Continued)**

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.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.7 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 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.

1.9 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.

1.10 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 2022

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.

1.11 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.

1.12 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 2022

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.

1.13 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.

1.14 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.

1.15 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 2022

1 Accounting policies

(Continued)

1.16 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.

1.17 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.

1.18 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 RTFCs 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 tradable 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.

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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.

Environmental liabilities

Provision is made for environmental obligations relating to past obligations. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements supported by independent surveys and assessments. In addition, the timing of the cash flows require management's judgement.

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.

3 Turnover

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

	2022	2021
	£	£
Turnover analysed by class of business		
Fuel distribution	358,337,569	151,878,266
Mains gas supplies	70,253,236	92,333,084
	<u>428,590,805</u>	<u>244,211,350</u>

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	503,185	(41,318)
Government grants	-	(58,308)
Depreciation of owned tangible fixed assets	1,023,271	879,202
Depreciation of tangible fixed assets held under finance leases	-	23,858
(Profit)/loss on disposal of tangible fixed assets	(26,523)	1,837
Amortisation of intangible assets	295,000	220,000
Operating lease charges	288,808	297,590
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	21,300	21,750
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	9,700	9,500
	<u> </u>	<u> </u>

6 Employees

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

	2022	2021
	Number	Number
Administrative	85	78
Sales and distribution	110	113
	<u> </u>	<u> </u>
Total	195	191
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	7,236,071	2,361,901
Social security costs	1,183,117	99,049
Pension costs	286,126	431,003
	<u> </u>	<u> </u>
	8,705,314	2,891,953
	<u> </u>	<u> </u>

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	3,446,734	4,080,562
Company pension contributions to defined contribution schemes	46,862	20,000
	<u>3,493,596</u>	<u>4,100,562</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	<u>1,120,942</u>	<u>1,291,447</u>

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Other interest income	787,308	569,311
Income from fixed asset investments		
Income from shares in group undertakings	<u>2,135,569</u>	<u>3,150,000</u>
Total income	<u>2,922,877</u>	<u>3,719,311</u>

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	196,837	158,640
Interest payable to group undertakings	5,416	100,920
Interest on finance leases and hire purchase contracts	3,952	2,816
	<u>206,205</u>	<u>262,376</u>

10 Change in the fair value of investment properties

	2022	2021
	£	£
Changes in the fair value of investment properties	<u>-</u>	<u>280,000</u>

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	3,891,095	2,539,446
Adjustments in respect of prior periods	61,875	(47,629)
Total current tax	<u>3,952,970</u>	<u>2,491,817</u>
Deferred tax		
Origination and reversal of timing differences	78,205	1,163,128
Adjustment in respect of prior periods	4,919	(165,608)
Total deferred tax	<u>83,124</u>	<u>997,520</u>
Total tax charge	<u>4,036,094</u>	<u>3,489,337</u>

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:

	2022	2021
	£	£
Profit before taxation	<u>23,193,951</u>	<u>23,648,100</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	4,406,851	4,493,139
Tax effect of expenses that are not deductible in determining taxable profit	23,429	70,230
Tax effect of income not taxable in determining taxable profit	(405,758)	(598,500)
Adjustments in respect of prior years	61,875	(47,629)
Effect of change in corporation tax rate	18,770	(231,538)
Depreciation on assets not qualifying for tax allowances	15,760	2,397
Deferred tax adjustments in respect of prior years	4,919	(165,608)
Super deduction allowance	(89,752)	(33,154)
Taxation charge for the year	<u>4,036,094</u>	<u>3,489,337</u>

12 Dividends

	2022	2021
	£	£
Final dividends	11,890,000	16,489,781
Dividends in specie	5,719,600	-
	<u>17,609,600</u>	<u>16,489,781</u>

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

13 Intangible fixed assets

	Purchased goodwill £
Cost	
At 1 August 2021 and 31 July 2022	3,550,000
Amortisation and impairment	
At 1 August 2021	2,402,500
Amortisation charged for the year	295,000
At 31 July 2022	2,697,500
Carrying amount	
At 31 July 2022	852,500
At 31 July 2021	1,147,500

14 Tangible fixed assets

	Leasehold improvements £	Plant and office equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 August 2021	345,216	3,247,754	1,223,291	4,412,594
Additions	494,232	814,900	118,602	924,098
Disposals	(4,444)	(29,396)	(40,545)	(486,840)
At 31 July 2022	835,004	4,033,258	1,301,348	4,924,237
Depreciation and impairment				
At 1 August 2021	245,571	1,601,389	839,865	2,354,365
Depreciation charged in the year	32,773	299,733	108,535	582,230
Eliminated in respect of disposals	-	(16,055)	(34,099)	(300,829)
At 31 July 2022	278,344	1,885,067	914,301	2,635,766
Carrying amount				
At 31 July 2022	556,660	2,148,191	387,047	2,288,471
At 31 July 2021	99,645	1,646,365	383,426	2,058,229

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

	2022 £	2021 £
Motor vehicles	98,776	119,560

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

15 Investment property

	2022
	£
Fair value	
At 1 August 2021	600,000
Disposals	(600,000)
	<u> </u>
At 31 July 2022	<u> </u>

During the year, the group previously headed by Crown Oil Limited underwent a reorganisation exercise where by certain subsidiary undertakings were demerged from the group along with the transfer of certain investment properties which were transferred from Crown Oil Limited to Crown Oil Property Limited in exchange for shares to an equivalent value.

16 Fixed asset investments

	2022	2021
	£	£
Investments in subsidiaries	-	6,914,004
Trade investments	-	1,000,000
	<u> </u>	<u> </u>
	<u> </u>	<u>7,914,004</u>

Movements in fixed asset investments

	Shares in group undertakings and participating interests
	£
Cost or valuation	
At 1 August 2021	7,914,004
Additions	4,717,500
Disposals	(12,631,504)
	<u> </u>
At 31 July 2022	<u> </u>
Carrying amount	
At 31 July 2022	<u> </u>
	<u> </u>
At 31 July 2021	<u>7,914,004</u>

Investments previously recognised were transferred to a newly incorporated parent company, Crown Oil Holdings Limited, at historic cost.

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

17	Stocks		
		2022	2021
		£	£
	Raw materials and consumables	21,100,385	5,443,134
		<u> </u>	<u> </u>
18	Debtors		
		2022	2021
		£	£
	Amounts falling due within one year:		
	Trade debtors	34,876,797	14,506,792
	Corporation tax recoverable	-	355,623
	Amounts due from group undertakings	17,823,248	20,924,148
	Amounts owed by related undertakings	516,479	339,666
	Other debtors	3,334,219	1,646,779
	Prepayments and accrued income	7,204,564	7,720,797
		<u> </u>	<u> </u>
		63,755,307	45,493,805
	Deferred tax asset (note 22)	881,617	964,741
		<u> </u>	<u> </u>
		64,636,924	46,458,546
		<u> </u>	<u> </u>
		2022	2021
		£	£
	Amounts falling due after more than one year:		
	Amount due from related parties	3,250,000	4,000,000
	Other debtors	-	3,290,312
		<u> </u>	<u> </u>
		3,250,000	7,290,312
		<u> </u>	<u> </u>
	Total debtors	67,886,924	53,748,858
		<u> </u>	<u> </u>
19	Current asset investments		
		2022	2021
		£	£
	Renewable Transport Fuel Certificates	8,913,087	4,467,342
		<u> </u>	<u> </u>

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

20 Creditors: amounts falling due within one year

	2022	2021
	£	£
Invoice discounting advances	4,385,050	-
Obligations under finance leases	17,521	63,460
Trade creditors	16,982,909	10,776,505
Amounts due to group undertakings	21,335,671	4,142,526
Amounts owed to related undertakings	215,929	9,628,655
Corporation tax	497,290	-
Other taxation and social security	8,823,699	5,791,749
Directors' current accounts	2,955,029	16,908,732
Other creditors	7,792,132	3,786,556
Accruals and deferred income	19,389,038	23,100,273
	<u>82,394,268</u>	<u>74,198,456</u>

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

21 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Obligations under finance leases	-	17,520
	<u>-</u>	<u>17,520</u>

22 Deferred taxation

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

	Assets 2022	Assets 2021
Balances:	£	£
Accelerated capital allowances	(888,422)	(606,678)
Investment property	-	(63,436)
Other timing differences	1,770,039	1,634,855
	<u>881,617</u>	<u>964,741</u>

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

22	Deferred taxation	(Continued)
		2022
	Movements in the year:	£
	Asset at 1 August 2021	(964,741)
	Charge to profit or loss	83,124
	Asset at 31 July 2022	<u>(881,617)</u>

23	Provisions for liabilities	2022	2021
		£	£
	Environmental provision	915,393	915,393
		<u>915,393</u>	<u>915,393</u>

24	Retirement benefit schemes	2022	2021
	Defined contribution schemes	£	£
	Charge to profit or loss in respect of defined contribution schemes	286,126	431,003
		<u>286,126</u>	<u>431,003</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.

25	Share capital	2022	2021	2022	2021
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary shares of 10p each (2021: £1 each)	25,000	25,000	2,500	25,000
	E Ordinary shares of 10p each	150,000	-	15,000	-
	P Ordinary shares of 10p each	75,000	-	7,500	-
		<u>250,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

During the year, a group reorganisation exercise was undertaken. In July 2022 the 25,000 Ordinary shares of £1 each were re-designated as 25,000 Ordinary shares of 10p each; 150,000 E Ordinary shares of 10p each and 75,000 P Ordinary shares of 10p each.

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

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

26 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:

	2022	2021
	£	£
Within one year	315,856	323,799
Between two and five years	1,048,319	1,184,175
In over five years	840,000	1,020,000
	<u>2,204,175</u>	<u>2,527,974</u>

Lessor

The operating leases represent leases of investment property to third parties. The leases are negotiated over terms of 5 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:

	2022	2021
	£	£
Within one year	-	22,500
Between two and five years	-	69,375
	<u>-</u>	<u>91,875</u>

Following a group reorganisation as described in note 15 the properties to which such payments relate to have been transferred to a connected party.

27 Other reserves

Total reserves contains £2,362,859 (2021: £2,362,859) of non-distributable reserves.

The balance includes £490,000 (2021: not applicable) 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 (2021: £1,872,859) relating to the capital redemption that took place in the prior year.

CROWN OIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

28 Related party transactions

The following amounts were outstanding at the reporting end date:

At the balance sheet date, £3,088,096 (2021: £nil) was due to Crown Oil Holdings Limited, the parent entity. The amount is unsecured and repayable on demand.

At the balance sheet date, £17,823,248 (2021: £19,233,642) was due from Crown Oil Treasury Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £1,209,881 (2021: £408,733) was due to Beesley Fuels Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £2,341,423 (2021: £1,184,129) was due to Crown Oil (Environmental), a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £9,974,793 (2021: £1,434,410) was due to Speedy Fuels Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £4,705,881 (2021: £4,563,188) was due to Nationwide Fuels and Lubricants Limited, a fellow group undertaking. The amount is unsecured and repayable on demand.

At the balance sheet date, £3,273,091 (2021: £3,250,000) was due from Crown Oil Investments Limited, a company related by common control. Due to the nature of the loan being long term, this balance has been disclosed as due in more than one year.

At the balance sheet date, £199,091 (2021: £35,383) was due from Crown Energy Limited, a company related by common control. The amount is unsecured and repayable on demand.

At the balance sheet date, £153,793 (2021: £6,742) was due to Crown Performance Additives Limited, a company related by common control. The amount is unsecured and repayable on demand.

At the balance sheet date, £157,629 (2021: £93,581) was due from General All Purpose Plastics Limited, a company related by common directorship. The amount is unsecured and repayable on demand.

At the balance sheet date, £45,209 (2021: £18,435) was due from Gas and Electricity Connections Limited, a company related by common directorship. The amount is unsecured and repayable on demand.

29 At the balance sheet date, £45,543 (2021: £nil) was due from Gas and Power Limited, a company related by common directorship. The amount is unsecured and repayable on demand.

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.

30 Prior period adjustment

The prior period adjustment relates to the reclassification of a capital redemption reserve of £1,872,859 on the purchase of own shares. There is £nil impact to the reported profit and total equity as a result of this adjustment.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.