

Financial Statements

Crown Oil UK Limited

For the year ended 31 August 2012

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COMPANIES HOUSE

Registered number: 03444403

Company Information

Directors	M C Greensmith A D Greensmith A A Greensmith
Company secretary	N N Greensmith
Company number	03444403
Registered office	The Oil Centre Bury New Road Heap Bridge Bury Lancashire BL9 7HY
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	Barclays Bank Plc PO Box 229 Navigation Way Lancashire PR2 2XY
Solicitors	Zatman & Co 1 The Cottages Deva Centre Trinity Way Manchester M3 7BE

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Directors' report

For the year ended 31 August 2012

The directors present their report and the financial statements for the year ended 31 August 2012

Principal activity

The company's principal activity is that of fuel oil distribution

Business review

The directors are satisfied with the results for the year. Investment in all areas including customer service and support roles will continue to be made to ensure the long term aims of the directors, being an increase in market share and greater shareholder value, can be delivered.

The principle Key Performance Indicators ("KPI's") which are monitored by the directors include rate of growth, profitability and cash flow derived from operating activities. The directors are satisfied with the KPI's during the year.

Results

The profit for the year, after taxation, amounted to £1,272,334 (2011 - £939,950). The directors have not recommended a dividend in either 2012 or 2011.

Directors

The directors who served during the year were

M C Greensmith
A D Greensmith
A A Greensmith

Financial risk management objectives and policies

The company uses financial instruments, these include cash and 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, which are described in more detail below and remain unchanged from previous year.

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, intercompany 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 credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors.

Directors' report

For the year ended 31 August 2012

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

Currency risk

The company is exposed to transaction foreign exchange risk. Less than 1% of the company's sales are transacted in foreign currency. These sales are priced in sterling but invoiced in Euro's. Euro transactions are matched with forward exchange contracts to eliminate any currency fluctuation.

For the year ended 31 August 2012, the majority of purchases were made in sterling.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Directors' report

For the year ended 31 August 2012

Provision of information to auditor

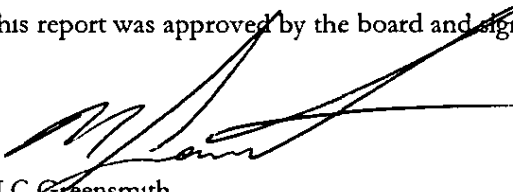
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, are deemed to be re-appointed under section 487 (2) of the Companies Act 2006

This report was approved by the board and signed on its behalf by



M C Greensmith
Director

Date 12 December 2012

Independent auditor's report to the members of Crown Oil UK Limited

We have audited the financial statements of Crown Oil UK Limited for the year ended 31 August 2012, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 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.

Opinion on other matters prescribed by the Companies Act 2006

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



Independent auditor's report to the members of Crown Oil UK Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Emma Stoddart (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool
Date 7 December 2012

Profit and loss account

For the year ended 31 August 2012

	Note	2012 £	2011 £
Turnover	1,2	45,719,258	42,933,862
Cost of sales		(42,196,092)	(39,397,662)
Gross profit		<u>3,523,166</u>	<u>3,536,200</u>
Administrative expenses		(1,776,927)	(2,204,353)
Operating profit	3	1,746,239	1,331,847
Interest receivable and similar income		1,620	5,405
Interest payable and similar charges	7	(46,130)	(46,028)
Profit on ordinary activities before taxation		<u>1,701,729</u>	<u>1,291,224</u>
Tax on profit on ordinary activities	8	(429,395)	(351,274)
Profit for the financial year	15	<u><u>1,272,334</u></u>	<u><u>939,950</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

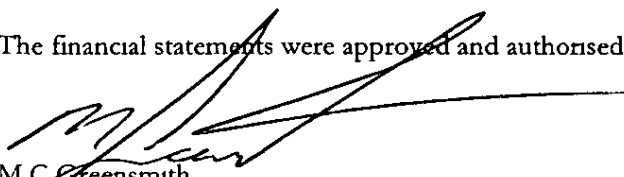
The notes on pages 8 to 17 form part of these financial statements

Balance sheet

As at 31 August 2012

	Note	£	2012 £	2011 £
Fixed assets				
Tangible assets	9		87,151	102,585
Current assets				
Debtors	10	5,103,549	6,554,524	
Cash at bank and in hand		2,167,171	742,703	
		<u>7,270,720</u>	<u>7,297,227</u>	
Creditors: amounts falling due within one year	11	<u>(3,007,364)</u>	<u>(4,327,321)</u>	
Net current assets			<u>4,263,356</u>	<u>2,969,906</u>
Total assets less current liabilities			<u>4,350,507</u>	<u>3,072,491</u>
Creditors: amounts falling due after more than one year	12		<u>(5,682)</u>	<u>-</u>
Net assets			<u><u>4,344,825</u></u>	<u><u>3,072,491</u></u>
Capital and reserves				
Called up share capital	14		10,000	10,000
Profit and loss account	15		<u>4,334,825</u>	<u>3,062,491</u>
Shareholders' funds	16		<u><u>4,344,825</u></u>	<u><u>3,072,491</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M C Greensmith
Director

Date 12 December 2012

The notes on pages 8 to 17 form part of these financial statements

Notes to the financial statements

For the year ended 31 August 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice)

The accounting policies of the company remain unchanged from the the prior year and are set out below

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard No 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts Turnover is recognised once the fuel has been delivered to the customer

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% reducing balance
Office equipment	-	15% reducing balance
Computer equipment	-	25% reducing balance

1.5 Leasing

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Notes to the financial statements

For the year ended 31 August 2012

1. Accounting policies (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not subject to discounting

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separate from those of the company

Notes to the financial statements

For the year ended 31 August 2012

1. Accounting policies (continued)

1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the Profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

2. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets		
-owned by the company	22,208	23,144
-held under hire purchase agreements	1,121	4,868
Difference on foreign exchange translation	6,757	175
Profit on disposal of fixed assets	900	4,109

4. Auditors' remuneration

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	10,450	10,545

Notes to the financial statements

For the year ended 31 August 2012

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	881,266	1,358,144
Social security costs	82,063	148,255
Other pension costs	9,896	7,052
	<u>973,225</u>	<u>1,513,451</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012	2011
	No.	No
Distribution staff	15	15
Administrative staff	11	10
	<u>26</u>	<u>25</u>

6. Directors' remuneration

	2012	2011
	£	£
Emoluments	<u>286,548</u>	<u>737,348</u>

The highest paid director received remuneration of £182,117 (2011 - £252,831)

No directors participated in the company defined contribution pension scheme in either year

7. Interest payable and similar charges

	2012	2011
	£	£
Directors' current account interest	46,053	45,260
On finance leases and hire purchase contracts	77	768
	<u>46,130</u>	<u>46,028</u>

Notes to the financial statements

For the year ended 31 August 2012

8. Taxation

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	429,517	351,086
Adjustments in respect of prior year	(12)	-
Total current tax	<u>429,505</u>	<u>351,086</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(110)	188
Tax on profit on ordinary activities	<u>429,395</u>	<u>351,274</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 25 16% (2011 - 27 16%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,701,729</u>	<u>1,291,224</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 16% (2011 - 27 16%)	428,155	350,717
Effects of:		
Expenses not deductible for tax purposes	486	436
Depreciation for year in excess of capital allowances	93	(141)
Adjustments to tax charge in respect of prior year	(12)	-
Other timing differences	783	74
Current tax charge for the year (see note above)	<u>429,505</u>	<u>351,086</u>

Notes to the financial statements

For the year ended 31 August 2012

9. Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 September 2011	124,084	34,769	43,193	202,046
Additions	27,271	-	10,330	37,601
Disposals	(65,482)	(10,985)	(15,658)	(92,125)
At 31 August 2012	85,873	23,784	37,865	147,522
Depreciation				
At 1 September 2011	51,001	19,415	29,045	99,461
Charge for the year	16,817	2,303	4,209	23,329
On disposals	(40,158)	(7,745)	(14,516)	(62,419)
At 31 August 2012	27,660	13,973	18,738	60,371
Net book value				
At 31 August 2012	58,213	9,811	19,127	87,151
At 31 August 2011	73,083	15,354	14,148	102,585

Included within the net book value of £87,151 is £26,150 (2011 £14,604) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,121 (2011 £4,868).

10. Debtors

	2012 £	2011 £
Trade debtors	4,643,005	5,202,523
Amounts owed by group undertakings	174,889	988,482
Amounts owed by related parties	146,631	89,856
Other debtors	1,165	100
Prepayments and accrued income	136,203	272,017
Deferred tax asset (see note 13)	1,656	1,546
	<u>5,103,549</u>	<u>6,554,524</u>

Notes to the financial statements

For the year ended 31 August 2012

11. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	1,755,596	1,721,970
Amounts owed to related parties	-	11,581
Corporation tax	229,505	271,088
Social security and other taxes	71,779	31,740
Directors' loan account	673,926	1,275,404
Accruals and deferred income	262,923	1,015,538
Net obligations under finance leases and hire purchase contracts	13,635	-
	<u>3,007,364</u>	<u>4,327,321</u>

Net obligations under finance leases are secured on the assets to which they relate

12. Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Net obligations under finance leases and hire purchase contracts	<u>5,682</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2012	2011
	£	£
Between one and five years	<u>5,682</u>	<u>-</u>

13. Deferred tax asset

	2012	2011
	£	£
At beginning of year	1,546	1,734
Released during/(charged for) year	110	(188)
At end of year	<u>1,656</u>	<u>1,546</u>

The deferred tax asset is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	<u>1,656</u>	<u>1,546</u>

Notes to the financial statements

For the year ended 31 August 2012

14. Share capital

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

15. Reserves

	Profit and loss account £
At 1 September 2011	3,062,491
Profit for the year	<u>1,272,334</u>
At 31 August 2012	<u>4,334,825</u>

16. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	3,072,491	2,132,541
Profit for the year	<u>1,272,334</u>	<u>939,950</u>
Closing shareholders' funds	<u>4,344,825</u>	<u>3,072,491</u>

17. Contingent liabilities

The group's overdraft facilities are secured by a cross guarantee supported by debentures from group companies including Crown Oil UK Limited

No liability is expected to arise under this guarantee. The maximum liability at 31 August 2012 is £649,780 (2011 £Nil)

18. Capital commitments

The company had no capital commitments at 31 August 2012 and 31 August 2011

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amount to £9,896 (2011 £7,052). There were outstanding contributions of £1,673 (2011 £1,421), included within other creditors at the year end.

Notes to the financial statements

For the year ended 31 August 2012

20. Finance lease commitments

Future commitments under hire purchase agreements, for motor vehicles, net of future finance lease charges are as follows

	2012 £	2011 £
Amounts payable within 1 year	13,635	-
Amounts payable within 1-2 years	5,682	-
Total	<u>19,317</u>	<u>-</u>

21. Related party transactions

	2012 £	Interest £	2011 £	Interest £
M C Greensmith	153,037	21,006	546,281	20,892
A D Greensmith	511,665	20,458	555,206	21,438
A A Greensmith	9,224	4,589	173,917	2,930
Total	<u>673,926</u>	<u>46,053</u>	<u>1,275,404</u>	<u>45,260</u>

The directors loans are unsecured and receive interest at 3% over base rate

The company has taken advantage of the exemption in Financial Reporting Standard No 8 and has not disclosed transactions with group undertakings

As at 31 August 2012, the company was owed £146,240 (2011 £78,216) in relation to a loan to Nationwide Fuels LLP, a company related by common ownership. During the year the company received income of £Nil (2011 £63,720), in respect of goods supplied.

As at 31 August 2012, the company was owed £Nil (2011 £1,446) from Crown Telecom Solutions Limited, a company related by common ownership. During the year the company received income of £Nil (2011 £1,446) in respect of goods supplied.

As at 31 August 2012, the company was owed £391 (2011 £10,194) from Crown Utilities Limited, a company related by common ownership. During the year the company received income of £Nil (2011 £10,194) in respect of goods supplied.

As at 31 August 2012, the company owed £Nil (2011 £11,581) to Greensmith 2007 Trust, a trust which the directors are beneficiaries.

These balances are unsecured and do not attract interest.

There are no other related party transactions which require disclosure under Financial Reporting Standard No 8 section 3(c).

Notes to the financial statements

For the year ended 31 August 2012

22. Ultimate parent undertaking and controlling party

The directors consider that both the immediate and ultimate parent undertaking is Crown Oil Limited, a company registered in England and Wales. The largest and smallest group of undertakings for which group accounts are drawn up is that headed by Crown Oil Limited.

Copies of the group financial statements can be obtained from Companies House.