

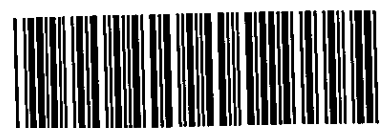
Financial Statements

Crown Oil UK Limited

For the year ended 31 August 2013

Registered number: 03444403

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Company Information

Directors	M C Greensmith A D Greensmith A A Rayner
Company secretary	N N Greensmith
Registered number	03444403
Registered office	The Oil Centre Bury New Road Heap Bridge Bury Lancashire BL9 7HY
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 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 2013

The directors present their report and the financial statements for the year ended 31 August 2013

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 will be continued in areas which will benefit the company in delivering exceptional service levels to its customer base and also to aid growth and profitability.

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 and dividends

The profit for the year, after taxation, amounted to £786,321 (2012 - £1,272,334)

The directors have recommended a dividend of £450,000 (2012 - £Nil). Details can be found in note 17 to the financial statements.

Directors

The directors who served during the year were

M C Greensmith
A D Greensmith
A A Rayner

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.

Directors' report

For the year ended 31 August 2013

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.

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 2013, 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 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.

Disclosure 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 relevant audit information and to establish that the company's auditor is aware of that information.

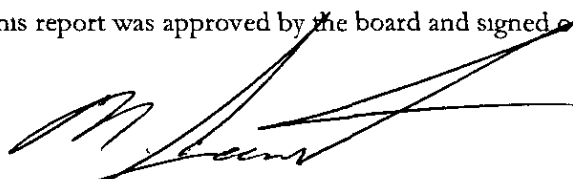
Directors' report

For the year ended 31 August 2013

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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

A handwritten signature in black ink, appearing to read 'M C Greensmith', is written over the text 'signed on its behalf'.

M C Greensmith
Director

Date 11 December 2013

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 2013, 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 Financial Reporting Council'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 2013 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

A handwritten signature in black ink that reads "Grant Thornton UK LLP".

Emma Stoddart (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Royal Liver Building

Liverpool

Date 11 December 2013

Profit and loss account

For the year ended 31 August 2013

	Note	2013 £	2012 £
Turnover	1,2	41,120,750	45,719,258
Cost of sales		<u>(37,741,397)</u>	<u>(42,196,092)</u>
Gross profit		3,379,353	3,523,166
Distribution costs		<u>(24,115)</u>	-
Administrative expenses		<u>(2,310,535)</u>	<u>(1,776,927)</u>
Operating profit	3	1,044,703	1,746,239
Interest receivable and similar income		4,676	1,620
Interest payable and similar charges	7	<u>(13,461)</u>	<u>(46,130)</u>
Profit on ordinary activities before taxation		1,035,918	1,701,729
Tax on profit on ordinary activities	8	<u>(249,597)</u>	<u>(429,395)</u>
Profit for the financial year	15	<u>786,321</u>	<u>1,272,334</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

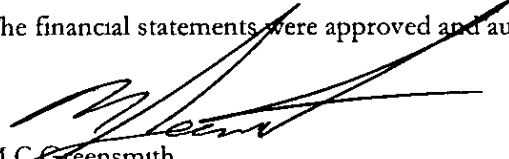
The notes on pages 8 to 17 form part of these financial statements

Balance sheet

As at 31 August 2013

	Note	£	2013 £	2012 £
Fixed assets				
Tangible assets	9		83,778	87,151
Current assets				
Debtors	10	5,153,449	5,103,549	
Cash at bank		1,745,642	2,167,171	
		<u>6,899,091</u>	<u>7,270,720</u>	
Creditors: amounts falling due within one year	11	<u>(2,298,711)</u>	<u>(3,007,364)</u>	
Net current assets			<u>4,600,380</u>	<u>4,263,356</u>
Total assets less current liabilities			<u>4,684,158</u>	<u>4,350,507</u>
Creditors: amounts falling due after more than one year	12		<u>(3,012)</u>	<u>(5,682)</u>
Net assets			<u><u>4,681,146</u></u>	<u><u>4,344,825</u></u>
Capital and reserves				
Called up share capital	14		10,000	10,000
Profit and loss account	15		<u>4,671,146</u>	<u>4,334,825</u>
Shareholders' funds	16		<u><u>4,681,146</u></u>	<u><u>4,344,825</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 11 December 2013

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

Notes to the financial statements

For the year ended 31 August 2013

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 provisions 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 2013

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 contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the scheme respect of the year

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

Notes to the financial statements

For the year ended 31 August 2013

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 / (crediting)

	2013 £	2012 £
Depreciation of tangible fixed assets		
-owned by the company	12,461	22,208
-held under hire purchase agreements	8,889	1,121
Difference on foreign exchange translation	(1,313)	6,757
Loss on disposal of fixed assets	6,896	900

4. Auditors' remuneration

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6,000	10,450

Fees paid to the company's auditor for services other than the statutory audit of the company are not disclosed since the consolidated accounts of the company's parent, Crown Oil Limited, are required to disclose non-audit fees on a consolidated basis

Notes to the financial statements

For the year ended 31 August 2013

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013	2012
	£	£
Wages and salaries	1,475,217	881,266
Social security costs	181,961	82,063
Other pension costs	10,383	9,896
	<u>1,667,561</u>	<u>973,225</u>

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

	2013	2012
	No.	No.
Distribution staff	8	15
Administrative staff	12	11
	<u>20</u>	<u>26</u>

6. Directors' remuneration

	2013	2012
	£	£
Emoluments	<u>948,244</u>	<u>286,548</u>

The highest paid director received remuneration of £573,044 (2012 - £182,117)

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

7. Interest payable and similar charges

	2013	2012
	£	£
On bank loans and overdrafts	2,901	-
Directors' current account interest	9,016	46,053
On finance leases and hire purchase contracts	1,247	77
Other interest payable	297	-
	<u>13,461</u>	<u>46,130</u>

Notes to the financial statements

For the year ended 31 August 2013

8. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	251,808	429,517
Adjustments in respect of prior year	(379)	(12)
Total current tax	<u>251,429</u>	<u>429,505</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(1,832)	(110)
Tax on profit on ordinary activities	<u>249,597</u>	<u>429,395</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.58% (2012 - 25.16%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>1,035,918</u>	<u>1,701,729</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.58% (2012 - 25.16%)	244,269	428,155
Effects of:		
Expenses not deductible for tax purposes	5,478	486
Depreciation for year in excess of capital allowances	1,930	93
Adjustments to tax charge in respect of prior year	(379)	(12)
Other timing differences	131	783
Current tax charge for the year (see note above)	<u>251,429</u>	<u>429,505</u>

There were no factors that may affect future tax charges

Notes to the financial statements

For the year ended 31 August 2013

9. Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 September 2012	85,873	23,784	37,865	147,522
Additions	28,217	-	849	29,066
Disposals	(29,607)	-	(5,676)	(35,283)
At 31 August 2013	84,483	23,784	33,038	141,305
Depreciation				
At 1 September 2012	27,660	13,973	18,738	60,371
Charge for the year	15,751	1,472	4,127	21,350
On disposals	(19,867)	-	(4,327)	(24,194)
At 31 August 2013	23,544	15,445	18,538	57,527
Net book value				
At 31 August 2013	60,939	8,339	14,500	83,778
At 31 August 2012	58,213	9,811	19,127	87,151

Included within the net book value of £83,778 is £45,478 (2012 - £26,150) 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 £8,889 (2012 - £1,121).

10. Debtors

	2013 £	2012 £
Trade debtors	3,618,940	4,643,005
Amounts owed by group undertakings	1,230,373	174,889
Amounts owed by related parties	7,445	146,631
Other debtors	120,205	1,165
Prepayments and accrued income	172,998	136,203
Deferred tax asset (see note 13)	3,488	1,656
	<u>5,153,449</u>	<u>5,103,549</u>

Notes to the financial statements

For the year ended 31 August 2013

11. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Net obligations under finance leases and hire purchase contracts	19,774	13,635
Trade creditors	1,478,101	1,755,596
Amounts owed to related parties	22,504	-
Corporation tax	31,808	229,505
Other taxation and social security	26,818	71,779
Proposed dividends	450,000	-
Directors' loan account	8,764	673,926
Accruals and deferred income	260,942	262,923
	<u>2,298,711</u>	<u>3,007,364</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

	2013	2012
	£	£
Net obligations under finance leases and hire purchase contracts	<u>3,012</u>	<u>5,682</u>

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

	2013	2012
	£	£
Between one and five years	<u>3,012</u>	<u>5,682</u>

13. Deferred tax asset

	2013	2012
	£	£
At beginning of year	1,656	1,546
Released during year (P&L)	1,832	110
At end of year	<u>3,488</u>	<u>1,656</u>

The deferred tax asset is made up as follows

	2013	2012
	£	£
Accelerated capital allowances	<u>3,488</u>	<u>1,656</u>

Notes to the financial statements

For the year ended 31 August 2013

14. Share capital

	2013 £	2012 £
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 2012	4,334,825
Profit for the year	786,321
Dividends Equity capital (note 17)	<u>(450,000)</u>
At 31 August 2013	<u>4,671,146</u>

16. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	4,344,825	3,072,491
Profit for the financial year	786,321	1,272,334
Dividends (Note 17)	<u>(450,000)</u>	<u>-</u>
Closing shareholders' funds	<u>4,681,146</u>	<u>4,344,825</u>

17. Dividends

	2013 £	2012 £
Dividends proposed on equity capital - £45 00 (2012- £Nil) per share	<u>450,000</u>	<u>-</u>

On 23 August 2013 the directors proposed a dividend of £450,000

18. 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 2013 is £Nil (2012 £649,780)

Notes to the financial statements

For the year ended 31 August 2013

19. Capital commitments

The company had no capital commitments at 31 August 2013 and 31 August 2012

20. Pension commitments

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The pension charge represents contributions payable by the company to the scheme and amount to £10,383 (2012 £9,896). There were outstanding contributions of £1,458 (2012 £1,673), included within accruals and deferred income at the year end.

21. Finance lease commitments

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

	2013 £	2012 £
Amounts payable within 1 year	19,774	13,635
Amounts payable within 1-2 years	3,012	5,682
Total	<u>22,786</u>	<u>19,317</u>

Notes to the financial statements

For the year ended 31 August 2013

22. Related party transactions

	2013 £	Interest £	2012 £	Interest £
M C Greensmith	8,764	5,794	153,037	21,006
A D Greensmith	-	2,839	511,665	20,458
A A Rayner	-	383	9,224	4,589
Total	<u>8,764</u>	<u>9,016</u>	<u>673,926</u>	<u>46,053</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 2013, included in amounts owed to related parties is £22,504 (2012 £Nil) due to Speedy Fuels LLP

As at 31 August 2013, included in amounts owed by related parties, is £6,887 (2012 £146,240) in relation to a loan provided to Nationwide Fuels LLP

As at 31 August 2013, included in amounts owed by related parties is £558 (2012 £Nil) due from Crown Oil House LLP

All of these LLP's detailed above are related to the company, as certain directors are also members of the above LLP's

As at 31 August 2013, included in amounts owed by related parties is £Nil (2012 £391) due from Crown Utilities Limited, related as certain directors of the company are also directors of Crown Utilities Limited

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)

23. 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