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Registration number: 10422514

# SGN Limited

Annual Report and Consolidated Financial Statements

for the Period from 28 March 2022 to 26 March 2023

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## **SGN Limited**

### **Contents**

Company Information	1
Strategic Report	2 to 6
Directors' Report	7 to 8
Statement of Directors' Responsibilities	9
Directors' Remuneration	10
Independent Auditor's Report	11 to 14
Consolidated Income Statement	15
Consolidated Statement of Comprehensive Income	16
Consolidated Statement of Financial Position	17 to 18
Statement of Financial Position	19 to 20
Consolidated Statement of Changes in Equity	21
Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 to 57

## **SGN Limited**

### **Company Information**

<b>Directors</b>	G F Peacock S M Tobbell P Courtney M S Copland
<b>Company secretary</b>	M S Copland
<b>Registered office</b>	3C Twyford Court High Street Dunmow Essex CM6 1AE
<b>Solicitors</b>	Shoosmiths LLP Waterfront House Waterfront Plaza 33 Station Road Nottingham NG2 3DQ
<b>Bankers</b>	HSBC Plc Pall Mall 69 Pall Mall London SW1Y 5EY  Barclays Bank PLC Leicester LE87 2BB
<b>Auditors</b>	Lambert Chapman LLP Chartered Accountants and Registered Statutory Auditors 3 Warners Mill Silks Way Braintree Essex CM7 3GB

## **SGN Limited**

### **Strategic Report for the period from 28 March 2022 to 26 March 2023**

The directors present their Strategic Report for SGN Limited (the “Company”) and its subsidiaries (the “Group”) together with the audited financial statements for the period ended 26 March 2023 (52 weeks).

#### **Sections**

- Group highlights
- Group objectives and business model
- Business and regulatory environment
- Financial review
- Strategy
- Principal risks and uncertainties

#### **Group highlights**

The Group has reported the financial statements in accordance with International Financial Reporting Standards (IFRSs).

The Group’s principal activity is fuel retailing, although it also drives profit from renting the ancillary properties to tenants. The Group owned 86 operational petrol filling stations branded Texaco, BP, Jet, Esso, Essar and Shell, 2 convenience stores and 4 investment property petrol filling stations at the end of the reporting period.

During the reporting period, the Group acquired 26 trading petrol stations and 1 investment property, and divested 9 trading petrol stations and a plot of land.

Performance in the reporting period has been exceptional, outperforming the market. There has been a minimal change in the number of competitors in the market.

The Directors use a number of key performance indicators (“KPIs”) to track the daily and weekly performance of the Group. These focus on shareholder returns and funds, EBITDA, growth, profitability and cash.

Shareholder’s funds grew 65.2% to £123.8m (2022: £74.9m), EBITDA after adjusting for non-recurring restructuring costs and other finance costs is £29.6m (2022: £18.6m) and cash and cash equivalents increased to £56.4m from £35.0m at the end of the period.

#### **Group objectives and business model**

The Group’s purpose is to provide its customers with a high quality petrol and retail offer on the forecourt, this is achieved through collaborating with the premium fuel brands and shop suppliers.

The Group understands that customers buying habits are changing with convenience at the forefront of consumers’ minds, this has been even more apparent with the Covid-19 pandemic. However, in the current economic climate with sky high inflation, cost of living challenges and rising interest rates, the Company is acutely aware of the need to provide value for money for the consumer. The Company is ideally placed to serve this demand with its network of sites and recognisable brands, shops are branded Co-Op, Best-One, Costcutter, Nisa and Spar.

The Group operates through a long established and successful Company owned agent (or retailer) operated model, where the Group retain the rights and responsibilities of business owner, while effectively sub-contracting the site operation to the retailer or operator.

The retailer is remunerated on a commission structure where they are incentivised to deliver a quality proposition and maximise the returns on site. The partnership with the retailers is flexible and collaborative, with the parties working together to maintain the sites to required standards, ensuring customer retention. This is of particular importance in residential locations.

The convenience stores are direct managed operations.

## **SGN Limited**

### **Strategic Report for the period from 28 March 2022 to 26 March 2023**

#### **Business and regulatory environment**

The UK economic climate has been experiencing a prolonged period of uncertainty as a result of the Covid-19 pandemic, leaving the European Union and the continuation of the war in Ukraine.

Consequently, the economy continues to see continued volatility on the Euro and US dollar, although the former currency does not influence to any significant degree the Company's buying or sales.

Several themes have emerged during the continuing consolidation and modernisation of the UK fuel retailing industry, with oil majors divesting sites and hypermarkets focussing on their core retail operations:

- Strong fuel brands: Continue to pull consumers onto site, reflecting heavy investment in promotions and branding.
- Recognisable shop brands: Partnering with household name suppliers and harnessing their promotional offers will help drive footfall.
- Competitive pricing: Most consumers are willing to shop around for the lowest price per litre in the local area, to enhance margins fuel retailers introduce POS marketing to induce trading up to premium fuels.
- Non-fuel offer: The convenience food and food to go offer is a major draw for customers whether purchasing fuel or not. Ranges tailored around specific shopping missions help to raise sales density.
- Convenient locations: The characteristics of a "prime site" for fuel retail varies by type of location (e.g. urban residential, urban transient, trunk road transient, urban commercial, rural transient and rural local) but is mainly dependent on local population, demographics, traffic flow and ease of access and egress.

The UK Government has pledged to reduce carbon emissions by 78% by 2035, they aim to achieve this by completely phasing out coal power by 2024 and by ending the sale of new petrol and diesel vehicles by 2030. Hybrid cars that can drive short distances on battery power before switching to fossil fuel will continue to be sold until 2035 as part of the transition to electric vehicles.

To achieve these very ambitious targets it is estimated that there needs to be a massive increase in investment between now and 2035 to support the infrastructure requirement. The Government states there is a requirement for 300,000 public charge points as a minimum by 2030, at the end of June 2023 there were just under 45,000.

During the year to March 2023 there have been 0.29m new car registrations with 64.6% made up of petrol, diesel or mild hybrid. Consumers still remain extremely cautious about owning and investing in electric vehicles with concerns around cost, range and availability of charging points at the forefront of their minds. The second hand market for petrol and diesel cars is likely to be buoyant for many years after the 2030 deadline.

No changes to any taxes or duties occurred during the reporting period.

#### **Financial Review**

Trading conditions in the early part of the reporting year were very challenging as the war in Ukraine ramped up, creating volatility in both the energy and oil markets, which made pricing decisions difficult as fuel retailers are all paying for their product priced at differing times - anything between 1 day lagged to 3 week lagged pricing.

However, the Group proved its resilience and again delivered an exceptional financial performance.

Revenues were £419.5m (2022: £304.1m), operating profit was £31.5m (2022: £14.5m) and profit after tax was £21.4m (2022: £9.3m).

At 26 March 2023, the Group had net assets of £123.7m (2022: £74.9m), net current assets of £18.1m (2022: £0.3m) and cash and cash equivalents of £56.4m (2022: £35.0m).

## **SGN Limited**

### **Strategic Report for the period from 28 March 2022 to 26 March 2023**

#### **Strategy**

The Group's overriding strategy is to continue to provide the consumer with a premium fuel and retail offer. The Group will invest in sites to generate strong returns and continue to enhance profitability for shareholders.

The acquisition strategy is to look for opportunities to add quality sites to the portfolio that complement the existing network and enable the Group to benefit from further economies of scale.

The Group continues to investigate their energy requirements, including a full network review of sites and potential installation of solar panels where possible. The Company is also undertaking surveys to ascertain which sites are suitable to have electric charge points installed with rollout expected to commence in the next reporting year.

The Group searches for continuous improvements, from training its staff, building new supplier relationships and improving the offer on site for customers.

#### **Principal risks and uncertainties**

##### *Impact of Covid-19*

The Directors are confident that the UK has seen the worst of Covid-19 and that countrywide lockdowns are a thing of the past, however, they do remain vigilant and are prepared to act accordingly should the landscape change.

##### *Macroeconomic Risk*

The two significant challenges facing the UK as a whole over the short and medium term are the Russian invasion of Ukraine and the cost of living crisis in the UK.

The war in Ukraine is generating instability in global markets. The oil market, dollar to pound exchange rates and cost of energy directly impacting the business.

The cost of living crisis, rampant inflation and rising interest rates are squeezing consumers and businesses and have the potential to negatively impact trade.

The Directors are confident that the business can manage all macroeconomic risks through robust internal processes, strong relationships with lenders and suppliers, and providing consumers with the best choice at the right price.

##### *Financial, Liquidity, Cash Flow and Credit Risks*

The Group monitors cash balances and cash flows as part of its day-to-day control procedures. The Directors consider all aspects of liquidity, cash and cash flows on a weekly and monthly basis to ensure that appropriate investment decisions are made. Similarly, the Directors have throughout the course of this reporting period ensured that the Group has retained substantial cash balances.

The Group's principal financial assets are cash and cash in transit. The Directors consider there to be a negligible credit risk in respect of the cash balances on the basis that they are held at a reputable financial institution.

##### *Security, Safety, Health and Environmental Risk ("SSHE")*

The Group places great importance and focus upon the safety and health of its customers, its employees and all others whom may be affected by its business activities.

Environmental awareness in respect of the storage, handling, sale and distribution of petroleum products has a high profile within the Group and the Directors are aware of the environmental contamination risks arising from these activities.

## **SGN Limited**

### **Strategic Report for the period from 28 March 2022 to 26 March 2023**

The Directors are all of the opinion that this focus on SSHE matters is an important factor in the mitigation of SSHE risk and that there is a low risk of SSHE matters having a material impact on the financial results and position of the Group.

#### *Product, Price and Volatility Risk*

The Directors recognise that the Group's input prices are influenced by movements on global prices for crude oil and wholesale refined products. To manage the volatility risk the Directors monitor input prices daily and competitor retail prices, stocks are monitored by a specialist 3rd party operation.

#### **Section 172(1) statement**

The directors understand that successful relationships with the Group's multiple stakeholders are critical to the success of the business and of utmost importance to the wider community. The impact on stakeholders of decisions made at Board level are carefully considered before a course of action is taken.

#### **Employees**

##### *Key Interests*

- Pay and Benefits
- Job satisfaction
- Career development
- Security
- Welfare

##### *Methods of Engagement*

- Success is rewarded from both a Company and personal perspective
- Benefits package offered
- Career progression and opportunities for development
- Communication between Board and employees - verbally and via electronic means

#### **Customers**

##### *Key Interests*

- Convenience
- Safety
- Fair pricing policies
- Customer Service

##### *Methods of Engagement*

- Customer feedback
- Social media engagement
- Promotional activity

#### **Contract Agents**

##### *Key Interests*

- Training
- Site development
- Support and guidance

##### *Methods of Engagement*

- Operational support provided by Area Managers
- Training and assistance for individuals and their business
- Clear operating model generates clear benefits to both parties

## SGN Limited

### Strategic Report for the period from 28 March 2022 to 26 March 2023

#### Suppliers

##### *Key Interests*

- Long term relationships
- High sales volumes
- Payment term compliance

##### *Methods of Engagement*

- Close working relationships fostered with all suppliers
- Training of staff in brand adherence
- Promotional support

#### Communities

##### *Key Interests*

- Community focused products
- Environmental factors
- Social factors

##### *Methods of Engagement*

- Regular site audits undertaken by Operations team
- Local marketing and customer engagement
- Risk assessments, policies and procedures.

#### Landlords

##### *Key Interests*

- Payment of rents - in full and on time
- Maintaining the sites

##### *Methods of Engagement*

- Development of relationships
- Timely and accurate payments
- Constant review of sites by Operations.

#### Government

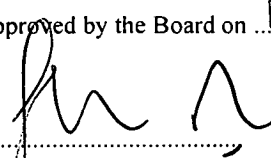
##### *Key Interests*

- Planning requirements
- Taxation
- Carbon reduction

##### *Methods of Engagement*

- Use of third party expertise
- Building a trustworthy reputation with stakeholders
- Energy efficiency programs

Approved by the Board on 18 August 2023 and signed on its behalf by:

  
G F Peacock  
Director

  
M S Copland  
Company Secretary and Director



## SGN Limited

### Directors' Report for the Period from 28 March 2022 to 26 March 2023

The directors present their report and the consolidated financial statements for the period from 28 March 2022 to 26 March 2023.

#### Directors of the company

The directors, who held office during the period, were as follows:

G F Peacock

S M Tobbell

P Courtney

M S Copland - Company secretary and Director

#### Principal activity

The principal activity of the company is that of the operation of petrol stations, convenience stores and ancillary services.

#### Environmental report

Statement of carbon emission in compliance with Streamlined Energy and Carbon (SECR) covering energy consumption and associated greenhouse gas emissions relating to gas and electricity, energy intensity and information relating to energy efficient actions.

#### Emissions and energy consumption

##### Current reporting year (April 2022 - March 2023)

	Annualised KWh	CO2 Total Kg
Global Fuels (UK) Ltd	1,513,300	292,642
SGN Ltd	250,051	48,355
TG Convenience Stores Ltd	5,851,296	1,131,524
Group Total	7,614,647	1,472,521

##### Previous reporting year (April 2021 - March 2022)

	Annualised KWh	CO2 Total Kg
Global Fuels (UK) Ltd	1,832,366	469,086
SGN Ltd	614,849	157,401
TG Convenience Stores Ltd	6,218,685	1,591,983
Group Total	8,665,900	2,218,470

## SGN Limited

### Directors' Report for the Period from 28 March 2022 to 26 March 2023

#### Energy efficient actions

The Group is committed to continuous improvement in this area by replacing old equipment with new energy efficient equipment. There are plans to install new energy efficient equipment within the next phase of refurbishments. The Group will continue to monitor usage during the period to ensure the new equipment is reducing the usage and reducing CO2 emissions. The Group will also be undertaking ESOS reporting to identify further reductions.

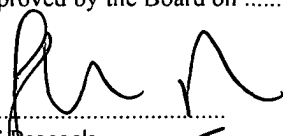
#### Future developments

The information regarding the future developments has been disclosed in the strategic report on page 2 of the financial statements.

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 18 August 2023 and signed on its behalf by:

  
.....  
G F Peacock  
Director

  
.....  
M S Copland  
Company Secretary and Director

## **SGN Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## SGN Limited

### Directors' Remuneration

This report for the period ended 26 March 2023 sets out the policies under which Directors are remunerated.

The key objectives in determining Directors remuneration are to:

- Ensure that members of executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- Review the ongoing appropriateness and relevance of the remuneration policy; and
- Approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the annual payments made under such schemes.

#### Remuneration policy

The remuneration is decided by G F Peacock and S M Tobbell.

Directors are not involved in determination of any aspect of their own remuneration.

	26 March 2023 £	27 March 2022 £
<b>Remuneration</b>		
Salary	281,616	172,200
Pension	13,292	6,527
Benefits	4,241	4,168
	<u>299,149</u>	<u>182,895</u>

Share Class		26 March 2023	26 March 2023	27 March 2022	27 March 2022
		Number of A and B shares	% of issued share capital	Number of A and B shares	% of issued share capital
G F Peacock	Ordinary A	2,456,706	46.58%	2,456,706	46.58%
S M Tobbell	Ordinary A	2,456,706	46.58%	2,456,706	46.58%
G F Peacock	Ordinary B	90,900	1.72%	90,900	1.72%
S M Tobbell	Ordinary B	90,900	1.72%	90,900	1.72%
P Courtney	Ordinary B	89,100	1.70%	89,100	1.70%
M Copland	Ordinary B	89,100	1.70%	89,100	1.70%

## SGN Limited

### Independent Auditor's Report to the Members of SGN Limited

#### Opinion

We have audited the financial statements of SGN Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 28 March 2022 to 26 March 2023, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

*In our opinion the financial statements:*

- give a true and fair view of the state of the group's and the parent company's affairs as at 26 March 2023 and of the group's profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK and, as regards the company's financial statements, as applied in accordance with the provisions of the companies Act 2006; 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **SGN Limited**

### **Independent Auditor's Report to the Members of SGN Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

## **SGN Limited**

### **Independent Auditor's Report to the Members of SGN Limited**

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the fuel retail sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, fuel and alcohol licensing and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## SGN Limited

### Independent Auditor's Report to the Members of SGN Limited

#### Use of our report

This report is made solely to the parent 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 parent 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 parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Lambert Chapman LLP*

Sean Wiegand FCA (Senior Statutory Auditor)  
For and on behalf of Lambert Chapman LLP, Statutory Auditor

3 Warners Mill  
Silks Way  
Braintree  
Essex  
CM7 3GB

Date: *18.08.2023*



## SGN Limited

### Consolidated Income Statement for the Period from 28 March 2022 to 26 March 2023

	Note	2023 £	2022 £
Revenue	4	419,448,346	304,143,604
Cost of sales		<u>(377,244,485)</u>	<u>(276,058,763)</u>
Gross profit		42,203,861	28,084,841
Administrative expenses		(18,264,739)	(14,309,180)
Other operating income	5	809,507	662,272
Other gains and (losses)	6	6,721,875	(108,547)
Fair value adjustment associated with investment properties		<u>-</u>	<u>180,000</u>
Operating profit	7	31,470,504	14,509,386
Interest payable and similar expenses	9	(4,531,240)	(2,581,549)
Other interest receivable and similar income	8	<u>11,961</u>	<u>43</u>
Profit before tax		26,951,225	11,927,880
Tax expense	13	<u>(5,597,155)</u>	<u>(2,659,438)</u>
Profit for the period		<u>21,354,070</u>	<u>9,268,442</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>21,354,070</u>	<u>9,268,442</u>

The above results were derived from continuing operations.

# SGN Limited

## Consolidated Statement of Comprehensive Income for the Period from 28 March 2022 to 26 March 2023

	2023 £	2022 £
Profit for the period	<u>21,354,070</u>	<u>9,268,442</u>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Surplus on property, plant and equipment revaluation	36,576,295	16,239,915
Deferred tax on property, plant and equipment revaluation	<u>(9,109,706)</u>	<u>(6,054,921)</u>
	<u>27,466,589</u>	<u>10,184,994</u>
Total comprehensive income for the period	<u>48,820,659</u>	<u>19,453,436</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u>48,820,659</u>	<u>19,453,436</u>

# SGN Limited

(Registration number: 10422514)

## Consolidated Statement of Financial Position as at 26 March 2023

	Note	26 March 2023 £	27 March 2022 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	14	1,645,197	1,940,636
Property, plant and equipment	15	220,206,279	142,249,337
Right of use assets	16	27,100,704	19,712,283
Investment properties	17	9,836,022	7,946,569
Contract assets		<u>292,992</u>	<u>-</u>
		259,081,194	171,848,825
<b>Current assets</b>			
Inventories	19	5,178,138	4,736,490
Trade and other receivables	20	9,469,327	4,429,019
Deferred tax asset	13	44,396	44,396
Cash and cash equivalents	21	56,382,500	35,031,866
Contract assets		<u>25,046</u>	<u>-</u>
		<u>71,099,407</u>	<u>44,241,771</u>
<b>Total assets</b>		<u>330,180,601</u>	<u>216,090,596</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	22	46,203,708	37,373,012
Loans and borrowings	23	5,192,725	5,236,296
Corporation tax liability		153,929	282,305
Right of use liability	16	<u>1,479,354</u>	<u>1,039,602</u>
		<u>53,029,716</u>	<u>43,931,215</u>
<b>Net current assets</b>		<u>18,069,691</u>	<u>310,556</u>
<b>Non-current liabilities</b>			
Loans and borrowings	23	111,071,814	66,435,660
Deferred tax liabilities	13	24,749,744	13,644,896
Right of use liability	16	<u>17,579,539</u>	<u>17,149,696</u>
		<u>153,401,097</u>	<u>97,230,252</u>
<b>Net assets</b>		<u>123,749,788</u>	<u>74,929,129</u>

The notes on pages 25 to 57 form an integral part of these financial statements.

# SGN Limited

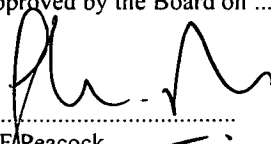
(Registration number: 10422514)


## Consolidated Statement of Financial Position as at 26 March 2023

	Note	26 March 2023 £	27 March 2022 £
<b>Equity</b>			
Share capital	24	8,513	8,513
Share premium		30,995,530	30,995,530
Revaluation reserve		42,324,916	16,703,858
Investment property reserve		122,879	126,929
Merger relief reserve		2,899,569	2,899,569
Retained earnings		47,398,381	24,194,730
<b>Total equity</b>		<u>123,749,788</u>	<u>74,929,129</u>

No Income Statement is presented for the Company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial period of £6,759,890 (2022 - loss after tax for the financial period of £232,650).

Approved by the Board on 18 August 2023 and signed on its behalf by:

  
 G F Peacock  
 Director

  
 M S Copland  
 Company Secretary and Director

# SGN Limited

(Registration number: 10422514)

## Statement of Financial Position as at 26 March 2023

	Note	26 March 2023 £	27 March 2022 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	14	351,572	434,511
Property, plant and equipment	15	1,131,695	1,322,382
Right of use assets	16	1,630,914	2,376,466
Investment properties	17	1,750,706	1,750,706
Investments in subsidiaries, joint ventures and associates	18	28,709,465	28,709,465
		<u>33,574,352</u>	<u>34,593,530</u>
<b>Current assets</b>			
Inventories	19	274,278	300,905
Trade and other receivables	20	17,639,387	15,901,192
Deferred tax asset	13	44,396	44,396
Cash and cash equivalents	21	12,046,905	7,402,083
		<u>30,004,966</u>	<u>23,648,576</u>
<b>Total assets</b>		<u>63,579,318</u>	<u>58,242,106</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	22	2,422,248	2,168,880
Loans and borrowings	23	1,080,000	803,411
Right of use liability	16	201,490	446,073
		<u>3,703,738</u>	<u>3,418,364</u>
<b>Net current assets</b>		<u>26,301,228</u>	<u>20,230,212</u>
<b>Non-current liabilities</b>			
Loans and borrowings	23	12,972,684	14,202,684
Deferred tax liabilities	13	42,968	81,461
Right of use liability	16	1,660,641	2,100,200
		<u>14,676,293</u>	<u>16,384,345</u>
<b>Net assets</b>		<u>45,199,287</u>	<u>38,439,397</u>

The notes on pages 25 to 57 form an integral part of these financial statements.

# SGN Limited

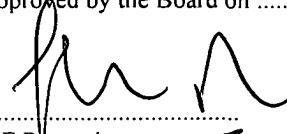
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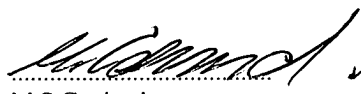
## Statement of Financial Position as at 26 March 2023

	Note	26 March 2023 £	27 March 2022 £
<b>Equity</b>			
Share capital	24	8,513	8,513
Share premium		30,995,530	30,995,530
Merger relief reserve		2,899,569	2,899,569
Retained earnings		<u>11,295,675</u>	<u>4,535,785</u>
<b>Total equity</b>		<u><u>45,199,287</u></u>	<u><u>38,439,397</u></u>

The company made a profit after tax for the financial period of £6,759,890 (2022 - loss after tax for the financial period of £232,650).

Approved by the Board on 18 August 2023 and signed on its behalf by:

  
.....  
G F Peacock  
Director

  
.....  
M S Copland  
Company Secretary and Director

**SGN Limited**

**Consolidated Statement of Changes in Equity for the Period from 28 March 2022 to 26 March 2023**

	Share capital £	Share premium £	Revaluation reserve £	Investment property reserve £	Merger relief reserve £	Retained earnings £	Total £	Total equity £
At 28 March 2022	8,513	30,995,530	16,703,858	126,929	2,899,569	24,194,730	74,929,129	74,929,129
Profit for the period	-	-	-	-	-	21,354,070	21,354,070	21,354,070
Other comprehensive income	-	-	27,466,589	-	-	-	27,466,589	27,466,589
Total comprehensive income	-	-	27,466,589	-	-	21,354,070	48,820,659	48,820,659
Transfers	-	-	(1,845,531)	(4,050)	-	1,849,581	-	-
At 26 March 2023	8,513	30,995,530	42,324,916	122,879	2,899,569	47,398,381	123,749,788	123,749,788
	Share capital £	Share premium £	Revaluation reserve £	Investment property reserve £	Merger relief reserve £	Retained earnings £	Total £	Total equity £
At 29 March 2021	8,513	30,995,530	7,262,792	107,425	2,899,569	14,201,864	55,475,693	55,475,693
Profit for the period	-	-	-	-	-	9,268,442	9,268,442	9,268,442
Other comprehensive income	-	-	10,184,994	-	-	-	10,184,994	10,184,994
Total comprehensive income	-	-	10,184,994	-	-	9,268,442	19,453,436	19,453,436
Transfers	-	-	(743,928)	19,504	-	724,424	-	-
At 27 March 2022	8,513	30,995,530	16,703,858	126,929	2,899,569	24,194,730	74,929,129	74,929,129

The notes on pages 25 to 57 form an integral part of these financial statements.  
Page 21

**SGN Limited**

**Statement of Changes in Equity for the Period from 28 March 2022 to 26 March 2023**

	Share capital £	Share premium £	Revaluation reserve £	Merger relief reserve £	Retained earnings £	Total £
At 28 March 2022	8,513	30,995,530	-	2,899,569	4,535,785	38,439,397
Profit for the period	-	-	-	-	6,759,890	6,759,890
Total comprehensive income	-	-	-	-	6,759,890	6,759,890
At 26 March 2023	8,513	30,995,530	-	2,899,569	11,295,675	45,199,287
	Share capital £	Share premium £	Revaluation reserve £	Merger relief reserve £	Retained earnings £	Total £
At 29 March 2021	8,513	30,995,530	271,612	2,899,569	4,496,823	38,672,047
Loss for the period	-	-	-	-	(232,650)	(232,650)
Total comprehensive income	-	-	-	-	(232,650)	(232,650)
Transfers	-	-	(271,612)	-	271,612	-
At 27 March 2022	8,513	30,995,530	-	2,899,569	4,535,785	38,439,397



# SGN Limited

## Consolidated Statement of Cash Flows for the Period from 28 March 2022 to 26 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the period	21,354,070	9,268,442
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	4,486,492	3,501,245
Changes in fair value of investment property	-	(180,000)
(Profit) on disposal of non current assets excluding costs to sell	(7,038,409)	(192,593)
Finance income	(11,961)	(43)
Finance costs	4,531,240	2,581,549
Income tax expense	5,597,155	2,659,438
Impairment of non current assets	286,054	-
	<u>29,204,641</u>	<u>17,638,038</u>
Working capital adjustments		
Increase in inventories	(441,648)	(2,189,133)
Increase in trade and other receivables	(5,040,308)	(1,246,946)
Increase in trade and other payables	8,830,698	18,532,887
Increase in contract assets	(318,038)	-
Decrease in provisions	-	(165,864)
	<u>32,235,345</u>	<u>32,568,982</u>
Cash generated from operations		
Income taxes paid	(3,730,391)	(2,347,652)
Net cash flow from operating activities	<u>28,504,954</u>	<u>30,221,330</u>
<b>Cash flows from investing activities</b>		
Interest received	11,961	43
Acquisition of subsidiaries	-	(59,242)
Acquisitions of property plant and equipment	(71,006,492)	(19,708,964)
Proceeds from sale of property plant and equipment	34,690,076	8,594,780
Acquisition of investment properties	(2,368,836)	(2,736,480)
Proceeds from sale of investment properties	-	3,451,489
Right of use asset lease premium and rental payments	(9,436,250)	(3,851,297)
Net cash flows from investing activities	<u>(48,109,541)</u>	<u>(14,309,671)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(3,088,142)	(1,836,507)
Proceeds from bank borrowing draw downs	66,000,000	15,000,000
Repayment of bank borrowing	(20,689,106)	(8,259,739)
Payment of bank borrowing fees and associated costs	(1,267,531)	-
Net cash flows from financing activities	<u>40,955,221</u>	<u>4,903,754</u>
Net increase in cash and cash equivalents	21,350,634	20,815,413
Cash and cash equivalents at 28 March	<u>35,031,866</u>	<u>14,216,453</u>
Cash and cash equivalents at 26 March	<u>56,382,500</u>	<u>35,031,866</u>

The notes on pages 25 to 57 form an integral part of these financial statements.

# SGN Limited

## Statement of Cash Flows for the Period from 28 March 2022 to 26 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period	6,759,890	(232,650)
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	188,915	435,061
Depreciation on right of use assets	273,429	246,422
Impairment of goodwill	82,939	-
(Profit) on disposal of property plant and equipment excluding costs to sell	(636,386)	(90,918)
Finance income	(2,452)	(43)
Finance costs	939,446	529,349
Tax expense	(38,493)	(85,449)
Dividend income	(7,000,000)	(500,000)
	<u>567,288</u>	<u>301,772</u>
Working capital adjustments		
Decrease/(increase) in inventories	26,627	(30,551)
(Increase)/decrease in trade and other receivables	(1,738,195)	3,719,749
Increase in trade and other payables	<u>253,368</u>	<u>479,821</u>
Net cash flow from operating activities	<u>(890,912)</u>	<u>4,470,791</u>
<b>Cash flows from investing activities</b>		
Interest received	2,452	43
Acquisitions of property plant and equipment	(105,157)	(907,050)
Proceeds from sale of property plant and equipment	710,000	1,095,000
Dividend income	7,000,000	500,000
Right of use asset rental payments	<u>(262,161)</u>	<u>(255,780)</u>
Net cash flows from investing activities	<u>7,345,134</u>	<u>432,213</u>
<b>Cash flows from financing activities</b>		
Interest paid	(729,400)	(388,443)
Repayment of bank borrowing	<u>(1,080,000)</u>	<u>(3,080,000)</u>
Net cash flows from financing activities	<u>(1,809,400)</u>	<u>(3,468,443)</u>
Net increase in cash and cash equivalents	4,644,822	1,434,561
Cash and cash equivalents at 28 March	<u>7,402,083</u>	<u>5,967,522</u>
Cash and cash equivalents at 26 March	<u><u>12,046,905</u></u>	<u><u>7,402,083</u></u>

The notes on pages 25 to 57 form an integral part of these financial statements.

## **SGN Limited**

### **Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in England & Wales.

The address of its registered office is:

3C Twyford Court  
High Street  
Dunmow  
Essex  
CM6 1AE  
England

#### **2 Accounting policies**

##### **Statement of compliance**

The group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the UK ("adopted IFRS's") as issued by the International Accounting Standards Board (IASB).

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements for the company and the group have been prepared under historical cost accounting rules except the following:

- Investment property (Fair value)
- Freehold land and buildings (Revalued cost)

These financial statements are presented in Sterling (£), which is the company and the group's functional currency.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

## **SGN Limited**

### **Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023**

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 26 March 2023.

No Income Statement is presented for the Company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial period of £6,759,890 (2022- loss after tax for the financial period of £232,650).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Changes in accounting policy**

##### **New standards, interpretations and amendments effective**

There are no new standards that materially impact the financial statements.

##### **New standards, interpretations and amendments not yet effective**

There are a number of new standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods. The group has reviewed these issues and do not expect them to have a material impact on future financial statements.

#### **Revenue recognition**

##### *Recognition*

The Group earns revenue from the sale of fuel, convenience store goods, lottery and pay point together with commissions earned from shop sales exclusive of Value Added Tax and trade discounts. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Contract assets and receivables

Contract assets are recognised where a contract exists and the right to receive consideration has not yet become unconditional as performance obligations have yet to be met by the lessor. The amount recognised in Non current and Current assets represents the present value of consideration receivable under the contract.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost or valuation, less any subsequent accumulated depreciation.

#### Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and property under construction over their estimated useful lives as follows:

It is the directors opinion that the value of land and buildings is split on average 80% land and 20% buildings throughout the portfolio. During the year the directors changed the split on average to 70% land and 30% buildings. Land is not depreciated as it is considered to have an infinite life.

Asset class	Depreciation method and rate
Buildings	2% straight line or over the term of the lease
Office equipment & Fixtures and fittings	Straight line over estimated useful life of 5 years commencing 3 months following quarter of purchase
Plant and machinery	Straight line over estimated useful life of 5-12 years commencing 3 months following quarter of purchase
Property under construction	Not depreciated

#### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined by external valuers and annually by directors. Changes in fair value are recognised in the income statement.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Right of use asset

Leases are accounted for by recognising a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the bank borrowings offered by the company's bankers.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease; and
- initial direct costs incurred

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straightline basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

#### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Starbridge Property Investments Limited was acquired by way of a share for share exchange during November 2018 and the premium of £2,899,569 has been allocated to a merger relief reserve in accordance with section 612 of Companies act 2006 and the gross value of £2,900,001 has been included in investments within the parents balance sheet.

#### Goodwill

Goodwill arising on the acquisition of operating stores represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is reviewed annually for impairment.

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested at least annually for impairment in accordance with IAS 36.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

#### Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in transit, cash in hand and call deposits.

## **SGN Limited**

### **Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023**

#### **Trade receivables**

Trade receivables are amounts due from customers for fuel and ancillary services performed in the ordinary course of business.

#### **Inventories**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the Average cost (AVCO) method. The average cost is calculated by using the price per litre of the last few weeks deliveries, where no delivery is received in the last few weeks, then the last delivery is used to establish the cost.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade payables are recognised at the transaction price.

#### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid to privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Financial instruments

##### Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the group becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the company commits to purchase or sell the financial assets or financial liabilities. All purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

##### Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

##### Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the group may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.



## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:-

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the statement of income.

#### **Financial assets at fair value through the profit or loss (FVTPL)**

Financial assets not otherwise classified above are classified and measured as FVTPL.

#### **Financial liabilities at amortised cost**

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

#### **Financial liabilities at fair value through the profit or loss**

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### **Derecognition**

##### *Financial assets*

The group derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the group is recognised as a separate asset or liability.

The group may enter into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the group derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

- (a) The carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised.
- (b) The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets;
- (c) The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined
- (d) The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets

##### *Financial liabilities*

The group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

#### **Modification of financial assets and financial liabilities**

##### *Financial assets*

If the terms of a financial asset are modified, the group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### *Financial liabilities*

If the terms of a financial liabilities are modified, the group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the group recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

#### **Impairment of financial assets**

##### *Measurement of Expected Credit Losses*

For trade receivables, the group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 26 March 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

#### **Accounting estimates and assumptions**

##### **Provisions for impairment**

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

##### **Fair value of financial assets and liabilities**

Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of judgement is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters when the financial statements were prepared. Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Impairment of goodwill

The amount of impairment is the best estimate at the reporting date based on indications that the goodwill should be impaired. Goodwill is reviewed annually for impairment or where an indicator exists.

#### Provision for expected credit losses of trade receivables

The group applies the IFRS 9 simplified approach to measure expected credit losses. The group exercises judgement in determining credit losses. In this judgement the group has considered credit losses and is satisfied that based on analytical skills and analysing historical information that a provision for expected credit losses has been included as necessary.

A credit impairment is recognised when there is objective evidence that the group will not be able to collect all amounts due according to original terms of the receivables.

Evidence of impairment includes significant financial difficulties of the receivable balances, probability that the receivable will enter bankruptcy or financial reorganisation.

The carrying amount of the asset is either reduced through the use of a credit allowance or directly written off when there is no expectation of future recoverability. Should an expense need to be recognised for any credit allowance it would be recognised in the Income statement.

#### Fair value of Investment property

The Investment property of the group is measured at fair value which requires the judgements of external valuers and the judgements of the directors to ensure that the valuation included in the financial statements is materially correct. For more detailed information to the fair value measurement of investment property see note 17.

#### Revaluation on property, plant and equipment

The land and buildings of the group are measured at fair value which requires the judgements of external valuers and the judgements of the directors to ensure that the valuation included in the financial statements is materially correct. For more detailed information to the fair value measurement of land and buildings, see note 15.

## 4 Revenue

The analysis of the group's revenue for the period from continuing operations is as follows:

	2023	2022
	£	£
Sale of Fuel and ancillary services	413,648,604	299,357,003
Site operator charges and shop fees	5,799,742	4,786,601
	<u>419,448,346</u>	<u>304,143,604</u>

Sale of fuel and ancillary services within turnover relate to sales from petrol stations and convenience stores located in different geographical locations within the United Kingdom.

The whole of turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### 5 Other operating income

The analysis of the group's other operating income for the period is as follows:

	2023	2022
	£	£
Rent receivable	<u>809,507</u>	<u>662,272</u>

#### 6 Other gains and losses

The analysis of the group's other gains and losses for the period is as follows:

	2023	2022
	£	£
Gain on disposal of property, plant and equipment	7,220,429	123,710
Loss on disposal of intangible assets	(212,500)	-
Gain or loss from sale of investment properties	-	283
(Impairment) of Goodwill	(82,939)	(232,540)
Impairment of land and buildings	<u>(203,115)</u>	<u>-</u>
	<u>6,721,875</u>	<u>(108,547)</u>

#### 7 Operating profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	2,445,825	1,591,769
Depreciation on right of use assets	2,040,667	1,617,692
Negative goodwill	<u>-</u>	<u>59,242</u>

#### 8 Other interest receivable and similar income

	2023	2022
	£	£
Interest income on bank deposits	2,452	43
Interest income on corporation tax	<u>9,509</u>	<u>-</u>
	<u>11,961</u>	<u>43</u>

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### 9 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	3,368,916	1,816,208
Release of bank loan arrangement fees	502,554	249,700
Interest expense on right of use assets	657,625	515,641
Other interest payable	2,145	-
Total interest payable and similar expenses	<u>4,531,240</u>	<u>2,581,549</u>

#### 10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £	2022 £
Wages and salaries	2,050,836	1,631,813
Social security costs	259,470	170,429
Pension costs, defined contribution scheme	78,590	54,435
	<u>2,388,896</u>	<u>1,856,677</u>

The average number of persons employed by the group (including directors) during the period, analysed by category was as follows:

	2023 No.	2022 No.
Administration and support	13	12
Directors	4	4
Sales, marketing and distribution	9	9
Management	5	3
Shop personnel	36	28
	<u>67</u>	<u>56</u>

#### 11 Directors' remuneration

The directors' remuneration for the period was as follows:

	2023 £	2022 £
Remuneration	281,616	172,200
Pension contributions	13,292	6,527
	<u>294,908</u>	<u>178,727</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### 12 Auditors' remuneration

	2023 £	2022 £
Audit of these financial statements	<u>31,665</u>	<u>27,125</u>

#### 13 Income tax

Tax charged/(credited) in the income statement

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	3,594,968	2,003,092
UK corporation tax adjustment to prior periods	<u>7,046</u>	<u>6,119</u>
	3,602,014	2,009,211
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>1,995,141</u>	<u>650,227</u>
Tax expense in the income statement	<u>5,597,155</u>	<u>2,659,438</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>26,951,225</u>	<u>11,927,880</u>
Corporation tax at standard rate	5,120,733	2,266,181
Under/ over provision in prior period	7,046	6,119
Decrease from effect of capital allowances and depreciation	(414,885)	(250,306)
Effect of expenses not deductible in determining taxable profit (tax loss)	60,496	25,712
Effect to profit and loss as a result of consolidation adjustments	(25,602)	-
Decrease from the non taxable fair value adjustment	-	(34,200)
Movement in deferred tax provision	1,995,141	650,227
Reliefs claimed	-	(10,065)
Decrease from effect of rollover relief on profit on disposal of fixed assets	(1,145,774)	-
Allowable expenditure capitalised	-	(2,701)
Chargeable gains on disposal of assets	<u>-</u>	<u>8,471</u>
Total tax charge	<u>5,597,155</u>	<u>2,659,438</u>

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Future tax changes

Royal Assent was granted to the Finance Act 2021 which contained an increase in Corporation tax from 19% to 25% with effect from 1 April 2023.

#### Deferred tax

##### Group

##### Deferred tax assets and liabilities

	Asset £	Liability £
<b>2023</b>		
Accelerated tax depreciation	-	1,300,286
Revaluation of property, plant and equipment	-	17,349,699
Revaluation of investment property	-	76,906
Tax losses carry-forwards	(44,396)	-
Tax on gain deferred on sale of property	-	6,022,853
	<u>(44,396)</u>	<u>24,749,744</u>
	Asset £	Liability £
<b>2022</b>		
Accelerated tax depreciation	-	980,560
Revaluation of property, plant and equipment	-	11,984,193
Revaluation of investment property	-	76,906
Tax losses carry-forwards	(44,396)	-
Tax on gain deferred on sale of property	-	603,237
	<u>(44,396)</u>	<u>13,644,896</u>



# SGN Limited

## Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

Deferred tax movement during the period:

	At 28 March 2022	Recognised in income	Recognised in other comprehensive income	Transfer to rollover	At 26 March 2023
	£	£	£	£	£
Accelerated tax depreciation	980,560	319,726	-	-	1,300,286
Revaluation of property, plant and equipment	11,984,193	(1,204,997)	7,988,024	(1,417,521)	17,349,699
Revaluation of investment property	76,906	-	-	-	76,906
Tax losses carry-forwards	(44,396)	-	-	-	(44,396)
Tax on gain deferred on sale of property	603,237	2,880,412	1,121,683	1,417,521	6,022,853
	<u>13,600,500</u>	<u>1,995,141</u>	<u>9,109,707</u>	<u>-</u>	<u>24,705,348</u>

Deferred tax movement during the prior period:

	At 29 March 2021	Recognised in income	Recognised in other comprehensive income	At 27 March 2022
	£	£	£	£
Accelerated tax depreciation	327,809	652,751	-	980,560
Revaluation of property, plant and equipment	6,396,145	(351,408)	5,939,456	11,984,193
Revaluation of investment property	27,637	49,269	-	76,906
Tax losses carry-forwards	(33,741)	(10,655)	-	(44,396)
Tax on gain deferred on sale of property	177,504	310,267	115,466	603,237
	<u>6,895,354</u>	<u>650,224</u>	<u>6,054,922</u>	<u>13,600,500</u>

### Company

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2023</b>		
Accelerated tax depreciation	-	42,968
Tax losses carry-forwards	(44,396)	-
	<u>(44,396)</u>	<u>42,968</u>
<b>2022</b>		
Accelerated tax depreciation	-	81,461
Tax losses carry-forwards	(44,396)	-
	<u>(44,396)</u>	<u>81,461</u>

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

Deferred tax movement during the period:

	At 28 March 2022 £	Recognised in income £	At 26 March 2023 £
Accelerated tax depreciation	81,461	(38,493)	42,968
Tax losses carry-forwards	(44,396)	-	(44,396)
	<u>37,065</u>	<u>(38,493)</u>	<u>(1,428)</u>

Deferred tax movement during the prior period:

	At 29 March 2021 £	Recognised in income £	At 27 March 2022 £
Accelerated tax depreciation	92,546	(11,085)	81,461
Tax losses carry-forwards	(33,741)	(10,655)	(44,396)
	<u>58,805</u>	<u>(21,740)</u>	<u>37,065</u>

#### 14 Intangible assets

##### Group

The cost of Goodwill for the Group remained the same at £2,286,509 for the periods ending March 2021, 2022 and 2023. The impairment of goodwill increased during the period by £82,939 in addition to the brought forward impairment of £345,873 leaving a carrying amount of £1,645,197 at 26 March 2023. The carrying amount as at 27 March 2022 totalled £1,940,636.

##### Company

The cost of Goodwill for the Company remained the same at £780,384 for the periods ending March 2021, 2022 and 2023. The impairment of goodwill increased during the period by £82,939 in addition to the brought forward impairment of £345,873 leaving a carrying amount of £351,572 at 26 March 2023. The carrying amount as at 27 March 2022 totalled £434,511.

# SGN Limited

## Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

### 15 Property, plant and equipment

#### Group

	Land and buildings £	Office equipment and fixtures and fittings £	Properties under construction £	Plant and machinery £	Total £
<b>Cost or valuation</b>					
At 29 March 2021	111,044,951	1,559,742	-	6,052,664	118,657,357
Revaluation recognised in other comprehensive income	16,103,129	-	-	-	16,103,129
Additions	15,447,931	117,727	2,006,059	2,137,247	19,708,964
Disposals	(7,970,238)	(75,638)	-	(347,915)	(8,393,791)
At 27 March 2022	134,625,773	1,601,831	2,006,059	7,841,996	146,075,659
At 28 March 2022	134,625,773	1,601,831	2,006,059	7,841,996	146,075,659
Revaluation recognised in other comprehensive income	36,381,712	-	-	-	36,381,712
Additions	68,805,337	311,874	58,215	1,831,066	71,006,492
Disposals	(25,696,390)	(319,005)	-	(1,875,479)	(27,890,874)
Transfer from investment property	2,064,274	-	(2,064,274)	-	-
At 26 March 2023	216,180,706	1,594,700	-	7,797,583	225,572,989
<b>Depreciation</b>					
At 29 March 2021	648,393	582,968	-	1,179,419	2,410,780
Charge for period	399,175	291,990	-	900,606	1,591,771
Eliminated on disposal	(59,140)	(24,054)	-	(93,035)	(176,229)
At 27 March 2022	988,428	850,904	-	1,986,990	3,826,322
At 28 March 2022	988,428	850,904	-	1,986,990	3,826,322
Charge for the period	1,103,573	327,774	-	1,014,478	2,445,825
Eliminated on disposal	(231,912)	(204,210)	-	(469,315)	(905,437)
At 26 March 2023	1,860,089	974,468	-	2,532,153	5,366,710
<b>Carrying amount</b>					
At 26 March 2023	214,320,617	620,232	-	5,265,430	220,206,279
At 27 March 2022	133,637,345	750,927	2,006,059	5,855,006	142,249,337
At 29 March 2021	110,396,558	976,774	-	4,873,245	116,246,577

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Revaluation

The fair value of the group's land and buildings were revalued as follows by an MRICS independent valuer.

SGN Limited- 17 January 2020

Global Fuel (UK) Limited- 30 July 2021 and then on 18 January 2023

TG Convenience Stores Limited- Various stages throughout period ending 2019, 2020, 2021 2022 and 2023.

During the year the directors undertook an internal revaluation on a few sites which were not part of the independent valuation cycle. In addition the directors have considered the carrying value at 26 March 2023 of all properties and are of the opinion that the values of the remaining properties have not moved materially since the external valuation was performed.

Had the class of asset been measured on a historical cost basis, the carrying amount would have been £162,566,925 (2022: £110,229,257).

Included within the net book value of land and buildings above is £212,692,998 (2022 - £132,393,466) in respect of freehold land and buildings and £1,627,619 (2022 - £1,243,879) in respect of short leasehold land and buildings.

#### Company

	Land and buildings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 29 March 2021	1,111,842	963,559	2,075,401
Additions	855,196	51,854	907,050
Disposals	(983,001)	(43,119)	(1,026,120)
At 27 March 2022	984,037	972,294	1,956,331
At 28 March 2022	984,037	972,294	1,956,331
Additions	15,412	89,745	105,157
Disposals	(86,617)	(215,938)	(302,555)
At 26 March 2023	912,832	846,101	1,758,933
<b>Depreciation</b>			
At 29 March 2021	31,610	421,856	453,466
Charge for period	11,955	190,566	202,521
Eliminated on disposal	(11,253)	(10,785)	(22,038)
At 27 March 2022	32,312	601,637	633,949
At 28 March 2022	32,312	601,637	633,949
Charge for the period	13,564	175,351	188,915
Eliminated on disposal	(28,944)	(166,682)	(195,626)
At 26 March 2023	16,932	610,306	627,238
<b>Carrying amount</b>			
At 26 March 2023	895,900	235,795	1,131,695
At 27 March 2022	951,725	370,657	1,322,382
At 29 March 2021	1,080,232	541,703	1,621,935

## **SGN Limited**

### **Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023**

Included within the net book value of land and buildings above is £866,778 (2022 - £847,275) in respect of freehold land and buildings and £29,122 (2022 - £104,450) in respect of short leasehold land and buildings.

#### **Revaluation**

The fair value of the company's Land and buildings was revalued on 17 January 2020 by MRICS independent valuers. The directors have carried out an internal valuation as at 26 March 2023 and are of the opinion that the values of the properties remaining have not moved materially since the external valuations were performed.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £895,899 (2022: £951,725).

# SGN Limited

## Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

### 16 Right of use assets

#### Group

	Vehicles £	Property and equipment £	Total £
<b>Cost or valuation</b>			
At 29 March 2021	114,615	8,253,134	8,367,749
Additions	81,451	13,284,249	13,365,700
Remeasurement	8,388	264,369	272,757
At 27 March 2022	204,454	21,801,752	22,006,206
At 28 March 2022	204,454	21,801,752	22,006,206
Additions	135,964	9,868,396	10,004,360
Disposals	(48,930)	(1,022,504)	(1,071,434)
Recalculation	(13,852)	47,261	33,409
At 26 March 2023	277,636	30,694,905	30,972,541
<b>Depreciation</b>			
At 29 March 2021	89,145	587,083	676,228
Charge for period	16,778	1,600,917	1,617,695
At 27 March 2022	105,923	2,188,000	2,293,923
At 28 March 2022	105,923	2,188,000	2,293,923
Charge for the period	74,880	1,965,787	2,040,667
Eliminated on disposal	(48,930)	(407,025)	(455,955)
Recalculation	(10,810)	4,012	(6,798)
At 26 March 2023	121,063	3,750,774	3,871,837
<b>Carrying amount</b>			
At 26 March 2023	156,573	26,944,131	27,100,704
At 27 March 2022	98,531	19,613,752	19,712,283

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Group lease liability

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Brought forward	18,189,296	7,704,390
Additions	10,331,209	13,550,604
Disposal	(670,933)	-
Interest expense	657,625	512,843
Lease payments	(9,447,541)	(4,007,759)
Recalculation	(763)	429,220
	<u>19,058,893</u>	<u>18,189,298</u>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Due within one year	1,479,354	1,039,602
Due in more than one year	<u>17,579,539</u>	<u>17,149,696</u>
	<u>19,058,893</u>	<u>18,189,298</u>

The discount rate used is the main rate of bank borrowings offered by the company's bankers and apply to the bank borrowings in the financial statements.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Company

	Vehicles £	Property and equipment £	Total £
<b>Cost or valuation</b>			
At 29 March 2021	114,615	2,636,556	2,751,171
Additions	81,451	-	81,451
Recalculation	8,388	211,169	219,557
At 27 March 2022	204,454	2,847,725	3,052,179
At 28 March 2022	204,454	2,847,725	3,052,179
Additions	135,964	4,485	140,449
Disposals	(48,930)	(853,561)	(902,491)
Recalculation	(13,852)	-	(13,852)
At 26 March 2023	277,636	1,998,649	2,276,285
<b>Depreciation</b>			
At 29 March 2021	89,145	340,144	429,289
Charge for period	16,778	229,646	246,424
At 27 March 2022	105,923	569,790	675,713
At 28 March 2022	105,923	569,790	675,713
Charge for the period	74,880	198,549	273,429
Eliminated on disposal	(48,930)	(244,031)	(292,961)
Recalculation	(10,810)	-	(10,810)
At 26 March 2023	121,063	524,308	645,371
<b>Carrying amount</b>			
At 26 March 2023	156,573	1,474,341	1,630,914
At 27 March 2022	98,531	2,277,935	2,376,466

#### Company lease liability

	2023 £	2022 £
Brought forward	2,546,273	2,419,538
Additions	140,449	81,451
Disposals	(663,631)	-
Interest expense	83,457	81,508
Lease payments	(241,697)	(307,622)
Recalculation	(2,720)	271,398
	1,862,131	2,546,273



## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

	2022 £	2021 £
Due within one year	201,490	446,073
Due in more than one year	<u>1,660,641</u>	<u>2,100,200</u>
	<u>1,862,131</u>	<u>2,546,273</u>

The discount rate used is the main rate of bank borrowings offered by the company's bankers and apply to the bank borrowings in the financial statements.

#### 17 Investment properties

##### Group

	26 March 2023 £	27 March 2022 £
At 28 March 2022	7,946,569	8,481,295
Additions	2,368,836	2,736,480
Disposals	(479,383)	(3,451,206)
Fair value adjustments	<u>-</u>	<u>180,000</u>
At 26 March 2023	<u>9,836,022</u>	<u>7,946,569</u>

The properties owned at the start of the year were valued during 2018, 2019, 2020 and 2022 by MRICS qualified independent valuers. The directors have carried out an internal valuation at 26 March 2023 and are of the opinion that the values of the properties remaining have not moved materially since the external valuations were performed.

During the period £580,577 (2022 - £471,423) was recognised in income in relation to rental income from investment properties.

##### Company

	26 March 2023 £	27 March 2022 £
At 28 March 2022	<u>1,750,706</u>	<u>1,750,706</u>
At 26 March 2023	<u>1,750,706</u>	<u>1,750,706</u>

The value of the investment property is shown in the financial statements at cost. An independent valuation was carried out during 2018 stating the value at that date was £1,760,000. The directors consider that there have been no material price movements since that date. As the cost value is not materially different to the external valuation carried out during 2018, the directors have decided to leave the value as stated within the accounts.

During the period £118,500 (2022- £119,268) was recognised in income in relation to rental income from investment properties.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### 18 Investments

##### Group subsidiaries

Details of the group subsidiaries as at 26 March 2023 are as follows:

Name of subsidiary	Registered office	Proportion of ownership interest and voting rights held	
		2023	2022
Global Fuel (UK) Limited	England and Wales	100%	100%
TG Convenience Stores Limited	England and Wales	100%	100%
Starbridge Property Investment Limited	England and Wales	100%	100%
Roundswell Services Limited	England and Wales	100%	100%

The companies are registered in England and Wales. The registered offices are the same as the parent company.

##### Subsidiary undertakings

The principal activity of Global Fuel (UK) Limited is the operation of petrol stations.

The principal activity of TG Convenience Stores Limited is the operation of petrol stations.

The principal activity of Starbridge Property Investment Limited is the income from investment property operating as petrol stations.

The principal activity of Roundswell Services Limited is that of a non trading company.

##### Parent company guarantees

SGN Limited has provided a guarantee in relation to Roundswell Services Limited. Roundswell Services Limited is claiming exemption from audit under section 479a of the Companies Act 2006.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Summary of the company investments

	26 March 2023 £	27 March 2022 £
Investments in subsidiaries	<u>28,709,465</u>	<u>28,709,465</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 29 March 2021		<u>28,709,465</u>
At 27 March 2022		<u>28,709,465</u>
At 28 March 2022		<u>28,709,465</u>
At 26 March 2023		28,709,465
<b>Provision</b>		
At 26 March 2023		<u>-</u>
<b>Carrying amount</b>		
At 26 March 2023		<u>28,709,465</u>
At 29 March 2021		<u>28,709,465</u>

#### 19 Inventories

	<b>Group</b>		<b>Company</b>	
	26 March 2023 £	27 March 2022 £	26 March 2023 £	27 March 2022 £
Raw materials and consumables	<u>5,178,138</u>	<u>4,736,490</u>	<u>274,278</u>	<u>300,905</u>

The cost of group inventories recognised as an expense in the period amounted to £377,244,483 (2022 - £276,058,763). This is included within cost of sales.

The cost of company inventories recognised as an expense in the period amounted to £14,641,890 (2022 - £14,590,577). This is included within cost of sales.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### 20 Trade and other receivables

	Group		Company	
	26 March 2023	27 March 2022	26 March 2023	27 March 2022
Current	£	£	£	£
Trade receivables	1,071,616	1,799,644	178,956	243,335
Provision for impairment of trade receivables	(69,773)	(26,328)	-	-
Net trade receivables	1,001,843	1,773,316	178,956	243,335
Loans to related parties	-	-	17,039,353	15,364,460
Accrued income	152,921	269,836	-	-
Prepayments	3,527,406	1,949,776	378,928	205,882
Other receivables	4,787,157	436,091	42,150	87,515
	<u>9,469,327</u>	<u>4,429,019</u>	<u>17,639,387</u>	<u>15,901,192</u>

Included within Group Other receivables are £40,000 (2022 - £368,437) relating to deposits that are current assets but are unlikely to be repaid within 12 months.

Included within Company Other receivables are £40,000 (2022 - £85,995) relating to deposits that are current assets but are unlikely to be repaid within 12 months.

Included within Company Loans to related parties are £17,039,353 (2022 - £15,364,460) that are current assets but are unlikely to be repaid within 12 months.

The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in note 28 "Financial risk review".

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### 21 Cash and cash equivalents

	Group		Company	
	26 March 2023	27 March 2022	26 March 2023	27 March 2022
	£	£	£	£
Cash at bank, in transit and on hand	<u>56,382,500</u>	<u>35,031,866</u>	<u>12,046,905</u>	<u>7,402,083</u>

#### 22 Trade and other payables

	Group		Company	
	26 March 2023	27 March 2022	26 March 2023	27 March 2022
	£	£	£	£
Trade payables	39,005,911	34,405,652	1,512,740	1,340,887
Accrued expenses	4,662,841	1,707,326	461,339	485,330
Social security and other taxes	1,399,243	408,497	169,541	227,128
Other payables	<u>1,135,713</u>	<u>851,537</u>	<u>278,628</u>	<u>115,535</u>
	<u>46,203,708</u>	<u>37,373,012</u>	<u>2,422,248</u>	<u>2,168,880</u>

Included within Group Other payables are £495,090 (2022 - £423,660) relating to deposits that are current liabilities but are unlikely to be repaid within 12 months.

Included within Company Other payables are £Nil (2022 - £30,000) relating to deposits that are current liabilities but are unlikely to be repaid within 12 months.

The group's exposure to market and liquidity risks, including maturity analysis, relating to trade and other payables is disclosed in note 28 "Financial risk review".

#### 23 Loans and borrowings

	Group		Company	
	26 March 2023	27 March 2022	26 March 2023	27 March 2022
	£	£	£	£
<b>Current loans and borrowings</b>				
Bank borrowings	<u>5,192,725</u>	<u>5,236,296</u>	<u>1,080,000</u>	<u>803,411</u>
	Group		Company	
	26 March 2023	27 March 2022	26 March 2023	27 March 2022
	£	£	£	£
<b>Non-current loans and borrowings</b>				
Bank borrowings	<u>111,071,814</u>	<u>66,435,660</u>	<u>12,972,684</u>	<u>14,202,684</u>

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Group

##### Bank Borrowings

The first bank loan relating to Starbridge Property Investment Limited is denominated in £ with a nominal interest rate of Base rate plus 1.75%, and the final instalment was due on 25 October 2022.

The carrying amount of £Nil (2022- £1,497,593) is made up of the outstanding loan of £nil (2022- £1,497,593) offset by £nil (2022- £nil) of unamortised fees.

During the year Starbridge Property Investment took a bank loan out with Handelsbanken and is denominated in £ with a nominal interest rate of Base rate plus 3.1% and the final instalment is due on 15 September 2025.

The carrying amount of £14,678,000 (2022- £Nil) is made up of the outstanding loan of £14,781,818 (2022-£Nil) offset by £103,818 (2022-£Nil) of unamortised fees.

SGN Limited and TG Convenience Stores Limited had a bank loan with HSBC that was denominated in £ with a nominal interest rate of SONIA + 2.25% and the final instalment was due on 25 February 2024. During the year the companies agreed a new club bank loan facility with HSBC and Barclays initially denominated in £ with a nominal interest rate of SONIA+ 2.25% margin, the margin can change during the term dictated by the group's leverage ratio. The final instalment is due on 27 February 2026, the company has the option to extend the term for a further 2 years to February 2028.

The carrying amount of £101,586,539 (2022- £70,174,363) is made up of the outstanding loan of £102,361,600 (2022- £70,626,668) offset by £775,061 (2022- £452,305) of unamortised fees.

The loans and borrowings classified as financial instruments are disclosed in the financial instrument note.

The group's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

#### Company

##### Bank Borrowings

The company had a bank loan with HSBC that was denominated in £ with a nominal interest rate of SONIA + 2.25%. The final instalment was due on 25 February 2024. During the year the company agreed a new club bank loan facility with HSBC and Barclays initially denominated in £ with a nominal interest rate of SONIA + 2.25% margin, the margin can change during the term dictated by the company's leverage ratio. The final instalment is due on 27 February 2026, the company has the option to extend the term for a further 2 years to February 2028.

The carrying amount of £14,502,684 (2022- £15,006,095) is made up of the outstanding loan of £14,502,684, (2022- £15,120,000) offset by £Nil (2022- £113,905) of unamortised fees.

The group's exposure to market and liquidity risks, including maturity analysis, relating to loans and borrowings is disclosed in note 28 "Financial risk review".

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Bank security

The group and company bank borrowings are secured by the following:

#### Loan with HSBC and Barclays

- Debenture covering SGN Limited, TG Convenience Stores Ltd and Global Fuel (UK) Limited. The debenture includes a fixed charge secured against some, but not all, freehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future and first floating charge over all assets and undertakings both present and future. Details of the company and group's freehold and investment properties are shown in notes 15 and 17.
- Composite company unlimited multilateral guarantee given by SGN Limited, TG Convenience Stores Limited and Global Fuel (UK) Limited.

#### Loan with Handelsbanken

- Debenture covering Starbridge Property Investment Limited. The debenture includes a fixed charge secured against all investment property owned by Starbridge Property Investment Limited.

## 24 Share capital

### Allotted, called up and fully paid shares

	26 March 2023		27 March 2022	
	No.	£	No.	£
Ordinary A of £0.001 each	4,913,412	4,913	4,913,412	4,913
Ordinary B of £0.010 each	360,000	3,600	360,000	3,600
	<u>5,273,412</u>	<u>8,513</u>	<u>5,273,412</u>	<u>8,513</u>

In respect of any equity proceeds Ordinary A shareholders are entitled to firstly receive back the issue price they paid for the shares. The balance of any equity proceeds is then distributed as 64% to the holders of the Ordinary A Shares and 36% to the holders of the Ordinary B Shares.

#### Rights, preferences and restrictions

Ordinary A have the following rights, preferences and restrictions:

Each Ordinary A share has full rights in the company with respect to voting, dividends and distributions.

Ordinary B have the following rights, preferences and restrictions:

The rights of the Ordinary B shares are restricted in that any distributions must have the consent of the founders of the company.

## 25 Leases

### Group

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	26 March 2023	27 March 2022
	£	£
Not later than one year	2,042,302	1,670,580
Later than one year and not later than five years	7,463,675	6,650,803
Later than five years	<u>14,129,949</u>	<u>11,657,203</u>
Total lease liabilities (undiscounted)	<u><u>23,635,926</u></u>	<u><u>19,978,586</u></u>

#### Operating leases- lessor

	26 March 2023	27 March 2022
	£	£
Not later than one year	469,473	452,256
Later than one year and not later than five years	1,562,457	1,330,583
Later than five years	<u>1,154,750</u>	<u>1,344,015</u>
	<u><u>3,186,680</u></u>	<u><u>3,126,854</u></u>

#### Company

#### Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	26 March 2023	27 March 2022
	£	£
Not later than one year	260,604	294,580
Later than one year and not later than five years	795,455	1,027,743
Later than five years	<u>1,053,468</u>	<u>1,547,997</u>
Total lease liabilities (undiscounted)	<u><u>2,109,527</u></u>	<u><u>2,870,320</u></u>

#### Company

#### Operating leases- lessor

	26 March 2023	27 March 2022
	£	£
Not later than one year	26,875	107,500
Later than one year and not later than five years	<u>-</u>	<u>26,875</u>
	<u><u>26,875</u></u>	<u><u>134,375</u></u>



## **SGN Limited**

### **Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023**

#### **26 Pension and other schemes**

##### **Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £78,590 (2022 - £54,435).

Contributions totalling £21,117 (2022 - £5,127) were payable to the scheme at the end of the period and are included in creditors.

#### **27 Commitments**

##### **Group**

##### **Capital commitments**

The total amount contracted for but not provided in the group financial statements was £49,231,310 (2022-£13,141,670).

## **SGN Limited**

### **Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023**

#### **28 Financial risk review**

##### **Group**

The company and group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the company and group is exposed to risks from its use of financial instruments. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the exposure to financial instrument risks, its objectives, policies and processes for managing those risk.

The principal financial instruments used by the company, from which financial instruments risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

An impairment analysis is performed at each reporting date on an individual basis. The group evaluates the collectability and recognises an impairment on a case by case basis.

The group evaluates the concentration of risk with respect to trade receivables as low, as its tenants are large companies located in different areas.

##### **Credit risk**

The group's definition of credit risk is the risk of default on a debt due from a tenant. This risk is mainly associated with the accounts receivable resulting from the Company's and group's operations. This risk is monitored on a regular basis by the Company with the aim of:

- Ensure compliance with defined payment policy;
- Evaluation of credit granted to each tenant;
- Analyse the financial conditions of its tenant on a regular basis..

##### **Liquidity risk**

The group's definition of liquidity risk is the risk that the company cannot afford to pay its debts as they fall due. The Company's and Group's policy to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions.

The Company and Group has borrowings from the bankers and this is regularly assessed to ensure the company and group can pay the balance when due on demand. There have been no defaults in payment of balances when they become due.

## SGN Limited

### Notes to the Financial Statements for the Period from 28 March 2022 to 26 March 2023

#### Market risk

The group's definition of market risk is the risk that the value of its investments will decrease due to changes in market factors. The Company and group is mainly exposed to market risk related to economic downturn.

The activity of the Company and group is exposed to this risk based on the profitability of its tenants.

#### 29 Non adjusting events after the financial period

The directors paid a dividend of £2,000,000 after the period end.

This dividend has not been recognised as a liability in the financial statements.

#### 30 Related party transactions

##### Group

##### Key management personnel

##### Key management compensation

	26 March 2023 £	27 March 2022 £
Salaries and other short term employee benefits	337,050	272,645

##### Summary of transactions with key management

##### Expenditure with and payables to related parties

	Other related parties £
<b>2023</b>	
Purchase of goods	-
<b>2022</b>	
Purchase of goods	33,875

#### 31 Ultimate controlling party

The controlling parties are G F Peacock and S M Tobbell.