



Motor Fuel (No. 3) Limited (formerly Simon
Smith Retail Limited)

REPORT AND FINANCIAL STATEMENTS
18 months ended 31 December 2019



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COMPANIES HOUSE

Company 07532478

Company information

DIRECTORS

William Bannister
Thomas Biggart
Jeremy Clarke
Simon Lane

REGISTERED OFFICE

Gladstone Place
36 – 38 Upper Marlborough Road
St Albans
Hertfordshire
United Kingdom
AL1 3UU

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Strategic Report

The directors present their Strategic Report for Motor Fuel (No. 3) Limited (formerly Simon Smith Retail Limited) (**the 'Company'**) for the period ended 31 December 2019.

Principal activity

The principal activity of the Company was that of retail sale of fuel in specialised stores and service stations. Following the acquisition by the CD&R Firefly Holdco Limited group (the '**Group**' or '**MFG**') on 11 June 2019, the trade was transferred to a fellow subsidiary, Motor Fuel Limited, and the principal activity of the Company is now as a property holding company.

Business review

Motor Fuel (No. 3) Limited is a subsidiary of Motor Fuel Limited, itself a subsidiary of Scimitar Topco Limited. Clayton Dubilier and Rice LLP (CD&R) acquired a controlling interest in Scimitar Topco Limited on 16 July 2015. Founded in 1978, CD&R is a private equity firm with a history of working with management teams to build stronger, more profitable businesses. CD&R's investors include leading financial institutions, university endowments and corporate and public pension funds. The investment was made through CD&R Firefly Holdings Sàrl whose principal investor is Clayton Dubilier and Rice Fund IX. The directors believe the ultimate controlling party is the ultimate parent company, CD&R Firefly Holdings Sàrl, registered in Luxembourg.

MFG offers its customers fuel under the BP, Shell, Esso, Texaco, Jet and Murco brands, coupled with an attractive, competitive and expanding forecourt shop offer. 'Food to Go' outlets and EV charging points continue to be added to the sites to add to the overall customer experience.

The directors consider the Group's annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity. It is the directors' intention that MFG adheres to the Wates corporate governance principles for large private companies from 1 January 2019 onwards.

Strategy

MFG's strategic goal continues to be to develop the business into the most dynamic and profitable independent forecourt operator in the UK.

Strategic Report *(continued)*

Strategy *(continued)*

MFG continues to look for growth, both through opportunities for development and improvement within the existing site network, and also through acquisition of the right sites and networks that are complementary additions to the network.

Allied to this development of the network is to continue to make efficiencies in delivery of traditional road fuels, optimise the working capital involved and strive to improve the profit margin from this income stream.

However MFG is very much alive to the growing environmental challenge and the consequential national move towards an electric motor fleet. MFG have provided Electric Vehicle (EV) charging points since 2017, expanding the offering to further sites through 2019. It is recognised that, whilst, the impact of electrification is still in the early stages to encompass the whole nation, it will be significantly quicker in the major urban centres. Due to the size and geographic focus of its network MFG is in a good position to be at the forefront of the EV market as it evolves. MFG will continue to invest significantly in its network to ensure that our sites remain industry-leading fuel and retail destinations whatever the energy source used by the vehicle.

Underpinning and in support of this strategy MFG is continuing to drive our growing non-fuel revenue streams. A development programme constantly improving and upgrading the in-site facilities will add more FTG outlets, an enhanced shopping experience and additional scope for offering other non-fuel services. This approach is consistent with the EV investment, as the duration of an EV charge is typically longer than for a traditional fuel refill. By providing a centre for the consumers to avail themselves of a range of services whilst re-charging their batteries, the overall experience will benefit consumers who will need to adapt their busy lifestyles to the new driving reality.

Results and performance

During the year the Company's accounting reference date was amended, deferring the year end to 31 December 2019. The Company made a profit for the 18 month period after taxation of £0.4m (Year ended 30 June 2018: £0.4m). The Directors have not recommended a dividend (2018: £nil) leaving the retained profit to be transferred to reserves.

At 31 December 2019 the Company had net assets of £7.1m (30 June 2018: £5.4m) and net current liabilities of £6.0m (30 June 2018: £3.4m).

During the period the Company reported turnover of £42.7m (Year ended 30 June 2018: £44.3m) and operating profit of £1.3m (Year ended 30 June 2018: £0.8m).

Strategic Report *(continued)*

Principal risks and uncertainties

The principal risks affecting the Company are those of the parent undertakings. The Directors are satisfied that those risks are properly addressed by those companies, and that both the risks and the resulting financial policies are properly explained in the consolidated financial statements of CD&R Firefly Holdco Limited and CD&R Firefly 4 Limited, which are publicly available.

Impact of Covid 19

During the first quarter of 2020 the UK Government, in line with many other national Governments, instigated a lockdown of most non-essential activities as part of its efforts to slow the spread of the Covid 19 virus. The Board and management had been monitoring the status of the pandemic ahead of the lockdown and had instigated various measures to protect both employees and customers.

MFG has been recognised as providing an essential service and the network continued to operate its fuels and convenience store offerings, though its Food to Go outlets were obliged to close. Social distancing measures have been put in place at the sites and the cashiers have been provided with sneeze guards along with all necessary support from MFG to protect all who use the site. Head office based employees have been largely working from home.

There has been a significant financial impact of the lockdown as retail fuel sales have reduced in the 2020. Commercial fuel sales have also reduced but by less than the retail segment as the haulage industry continues largely as before the lockdown.

Many sites have maintained or increased the footfall through the convenience stores as customers have tended to move away from visiting the large and busy supermarkets, choosing to visit the local convenience store instead. There has also been additional demand for home delivery and MFG have expanded the delivery service from the convenience stores through this period. It is the view of the directors that the sites are an essential part of the fabric of the local community and those communities will be supported by the provision of safe and well stocked convenience stores.

The uncertainty around the length and severity of the lockdown have led the directors to consider the liquidity of the business and this is reviewed on a daily basis. A number of plausible but severe downside scenarios have been modelled that have specific regard to the reduction in volumes of traffic and impact on fuel sales that has been experienced through the lockdown period to date. The Group's forward looking scenarios do not rely on significant uplifts in fuel sales volumes looking forward from that currently experienced in order to ensure liquidity remains at a suitably comfortable and sufficient level for the next twelve months. Government initiatives in response to the economic fallout from the lockdown have been accepted and all discretionary spend has been reviewed and deferred where appropriate.

Strategic Report *(continued)*

Principal risks and uncertainties *(continued)*

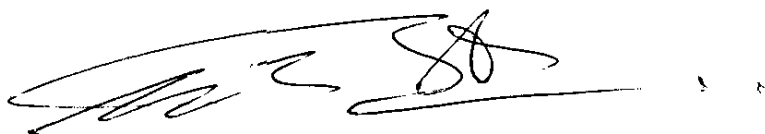
Impact of Covid 19 *(continued)*

All key suppliers were contacted to understand their response and ability to continue trading through the period and support, both financial and practical, has been provided to the Contract Managers at the sites.

The impact of reduced fuel sales volumes and lower fuel prices on the Group's working capital has been managed through maximising drawdown on the RCF and securing additional credit facilities, so as to maintain a satisfactory cash and liquidity position.

All of these measures give the directors comfort that the Group is sufficiently robust to trade through the lockdown period, meeting all financial covenants, and that the business will be well placed to rebound once the restrictions are loosened and trade returns to normal levels.

Approved by the Board and signed on its behalf by:



William Bannister (Chief Executive Officer and Director)

Date: | December 2020

Directors' Report

The Directors present their annual report and financial statements for the 18 months ended 31 December 2019.

Results for the year, financial risk management and future developments of the Company can be found in the Strategic Report on pages 3 to 6.

Dividends

No dividends were paid in the year and the Directors have not declared a dividend for the year (Year ended 30 June 2018: £nil).

Directors

The following persons served as Directors during the period and up to the date of signing the financial statements:

- William Bannister (appointed 11 June 2019)
- Thomas Biggart (appointed 11 June 2019)
- Jeremy Clarke (appointed 11 June 2019)
- Simon Lane (appointed 11 June 2019)
- Susanna Hawkins (resigned 11 June 2019)
- Brian Tew (resigned 11 June 2019)
- Julie Tew (resigned 11 June 2019)
- Vicky Tew (resigned 11 June 2019)

Key Management Personnel

The following individuals were the key management personnel of the Company and MFG during the period since 11 June 2019:

- | | |
|---------------------|--------------------------|
| • William Bannister | Chief Executive Officer |
| • Thomas Biggart | Chief Investment Officer |
| • Jeremy Clarke | Chief Operating Officer |
| • Simon Lane | Chief Financial Officer |

Prior to that date, until 11 June 2019, the Company was managed by Brian Tew.

Directors' Report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- c) make judgements and accounting estimates that are reasonable and prudent; and
- d) 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.



William Bannister (Chief Executive Officer and Director)

Date: 1 December 2020

Profit and loss account

	Note	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
Turnover	5	42,720	44,277
Cost of sales		(37,906)	(40,033)
Gross profit		4,814	4,244
Administrative expenses		(3,502)	(3,437)
Other operating income		-	22
Operating profit	6	1,312	829
Loss on sale of fixed assets		(48)	(9)
Interest receivable and similar income	8	81	1
Interest payable and similar expenses	8	(684)	(301)
Profit before taxation		661	520
Tax on profit	9	(233)	(166)
Profit for the financial period / year		428	354

Statement of comprehensive income

	Note	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
Profit for the financial period / year		428	354
Other comprehensive income:			
Movement on deferred tax relating to revaluation of tangible assets	15	(559)	-
Revaluation uplift on acquisition	11	3,461	-
Revaluation release upon disposal	11	(1,599)	-
Other comprehensive income for the period / year		1,303	-
Total comprehensive income for the period / year		1,731	354

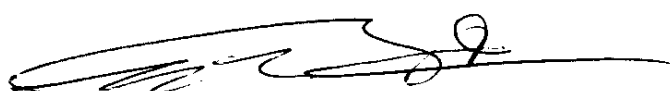
Balance sheet

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	10	-	3
Tangible assets	11	13,677	15,674
		13,677	15,677
Current assets			
Inventories	12	-	789
Debtors	13	2,874	801
Cash at bank and in hand		61	473
		2,935	2,063
Creditors – amounts falling due within one year	14	(8,930)	(5,457)
Net current liabilities		(5,995)	(3,394)
Total assets less current liabilities		7,682	12,283
Creditors – amounts falling due after more than one year		-	(6,859)
Provisions for other liabilities	15	(601)	(74)
Net assets		7,081	5,350
Capital and reserves			
Called up share capital	16	-	-
Other reserves	18	5,115	3,812
Retained earnings		1,966	1,538
Total equity		7,081	5,350

For the period ending 31 December 2019, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 9 to 27 were authorised for issue by the board of directors on 1 December 2020 and were signed on its behalf.



William Bannister (Chief Executive Officer and Director)

Statement of changes in equity

	Called up share capital	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000
Balance as at 1 July 2017	-	3,812	1,274	5,086
Total comprehensive income for the year	-	-	354	354
Dividends	-	-	(90)	(90)
Balance as at 30 June 2018	-	3,812	1,538	5,350
Profit for the period	-	-	428	428
Deferred tax on revaluation of properties (Note 15)	-	(559)	-	(559)
Revaluation uplift on acquisition (Note 11)	-	3,461	-	3,461
Revaluation release upon disposal (Note 11)	-	(1,599)	-	(1,599)
Total comprehensive income for the period	-	1,303	428	1,731
Balance as at 31 December 2019	-	5,115	1,966	7,081

Notes to the financial statements

1 General information

Motor Fuel (No. 3) Limited ('the Company') is a limited liability company incorporated and domiciled in England and Wales.

Until 11 June 2019, the principal activity of the Company was that of retail sale of automotive fuel in specialised stores and service stations. Upon acquisition by MFG, the Company's trade was transferred to its parent undertaking, and the Company became a property holding company.

The address of its registered office is Gladstone Place, 36-38 Upper Marlborough Road, St Albans, Hertfordshire, United Kingdom, AL1 3UU.

2 Statement of compliance

The financial statements of Motor Fuel (No. 3) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS102') and the Companies Act 2006.

3 Summary of significant accounting policies

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.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, unless otherwise stated in the accounting policies.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.2 *Reporting period*

The reporting period has changed to an 18 month period (2018: year ended 30 June 2018) following the acquisition by MFG. This is to align the Company's year end with MFG's year end. As a result the prior year figures are not directly comparable.

3.3 *Disclosure exemptions*

The Company has taken advantage of the following exemptions on the basis that it is a qualifying entity and is included in the consolidated accounts of CD&R Firefly Holdco Limited:

- The requirement to prepare a statement of cash flows
- Financial instrument disclosures
- Key management personnel compensation

3.4 *Going concern*

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled *Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009*.

At the reporting date, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3.5 *Currencies*

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (**the functional currency**) which is UK sterling (£). They are presented in UK sterling (**the presentational currency**). Amounts are generally expressed in thousands (£'000) and rounded accordingly.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.6 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Such assets acquired in a business combination are initially recognised at their fair value at acquisition date.

Depreciation is charged to write off the costs of assets over their estimated useful lives, starting from the month they are first used, as follows:

- Freehold land: not depreciated
- Freehold buildings: straight line over 50 years
- Leasehold buildings: straight line over the term of the lease
- Plant and machinery: straight line over 3 to 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

3.7 Revaluation of land and buildings

The Company's policy is to revalue land and buildings.

3.8 Impairment of non-current assets

At each reporting date, the Directors review the carrying amounts of all non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.9 Revenue and income recognition

Until 11 June 2019, revenue for the Company arose principally from fuels retailing.

That revenue was measured at the fair value of the consideration received or receivable and represents amounts receivable for fuel supplied, stated net of discounts and value added tax. The Company recognises revenue when (a) it can be reliably measured, (b) it is probable that future economic benefits will flow to the Company and (c) when specific criteria have been met for each of the Company's activities.

After 11 June 2019 any revenue represents rental income.

Interest income represents interest receivable on cash balances and on loans to related parties and is recognised as it is earned.

3.10 Cost of sales

Cost of sales up until 11 June 2019 consists of the purchase cost of fuel sold and other expenses that are directly related to sales. It is stated net of VAT, discounts and expected rebates relating to those purchases.

3.11 Current and deferred tax

The income tax charge or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities for the year.

a) Current tax

Current tax is based on taxable income for the year and any adjustment to tax from previous years. Taxable income differs from net income in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The calculation uses the latest tax rates for the year that have been enacted by the reporting date.

b) Deferred tax

Deferred tax is calculated at the latest tax rates that have been substantively enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.11 *Current and deferred tax (continued)*

b) *Deferred tax (continued)*

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method. It is not discounted.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax assets and liabilities are offset when there is an enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to the same taxation authority on either the same taxable entity or different taxable entities settling on a net basis.

3.12 *Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified by the Company, as lessee, as operating leases. Rentals payable under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

3.13 *Finance leases*

Leases that transfer substantially all the risks and rewards incidental to ownership are classified by the Company, as lessee, as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.13 Finance leases (*continued*)

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge of the capital repayments outstanding.

3.14 Dividends payable

Any dividends payable are recognised as a liability at the time they are approved. Otherwise dividends are disclosed if they have been proposed or declared before the relevant financial statements are approved.

4 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.1 Trade and other receivables

Trade and other receivables are recognised initially at fair value through profit or loss. Appropriate provisions for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the assets are impaired. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4.3 Trade and other payables

Trade and other payables are measured at fair value through profit or loss.

Notes to the financial statements (*continued*)

4 Financial instruments

4.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity, as a deduction from the proceeds.

4.5 Classification as debt or equity

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

5 Turnover

	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
Sale of goods	42,638	44,146
Other	82	131
	42,720	44,277

6 Operating profit

Operating profit is stated after charging:

	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
Amortisation of intangibles (note 10)	1	5
Depreciation of owned fixed assets (note 11)	700	748
Operating lease rentals – land and buildings	51	49
Auditors' remuneration for audit services	-	10
Carrying amount of stock sold	37,906	39,963

Notes to the financial statements *(continued)*

7 Employees and directors

7.1 Number of employees

The monthly average number of persons (including executive directors) employed by the Company during the period / year was:

	18 months ended 31 December 2019 Number	Year ended 30 June 2018 Number
Administration	5	9
Site services	57	95
Sales	2	4
	64	108

Upon acquisition by MFG, all employees were transferred to other Group companies. There were no employees of the Company at the period end.

7.2 Remuneration

Aggregate remuneration of employees (including directors):

	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
Wages and salaries	1,377	1,562
Social security costs	253	84
Pension contributions	37	17
	1,666	1,663

The Company operated a defined contribution pension scheme for its former employees. Pension benefits were provided through this scheme, whereby retirement benefits were determined by the value of funds arising from contributions paid in respect of each employee. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Notes to the financial statements (*continued*)

8 Finance income and expense

	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
8.1 Interest receivable and similar income		
Bank interest receivable	81	1
Total interest receivable and similar income	81	1
8.2 Interest payable and similar expenses		
Interest payable on loans from related parties	684	-
Bank loans and overdrafts	-	301
Total interest payable and similar expenses	684	301

Subsequent to the acquisition by MFG, external interest costs have been recharged across the group in proportion to the reliance in each entity on group debt, as reflected through intercompany loan balances.

9 Income tax

	18 months ended 31 December 2019 £000	Year ended 30 June 2018 £000
9.1 Income tax expense		
<i>Current tax</i>		
- UK Corporation tax on profits for the period / year	265	168
Total current tax	265	168
<i>Deferred tax</i>		
- Origination and reversal of timing differences	(32)	(2)
Total deferred tax	(32)	(2)
Net income tax expense	233	166
Tax included directly in equity		
<i>Deferred tax</i>	559	-

Notes to the financial statements (*continued*)9 Income tax (*continued*)

9.2 Factors affecting the tax charge	18 months ended 31 December 2019	Year ended 30 June 2018
Corporate tax rate being the average UK corporation tax rate during the period / year	19.00%	19.00%
	£000	£000
Profit before income tax	661	520
Tax charge at the UK corporate tax rate	126	99
Non-deductible expenditure	35	-
Fixed asset differences	68	67
Remeasurement of deferred tax - change in UK tax rate	4	-
Total tax charge for the period / year	233	166

Deferred tax has been provided for at a rate of 17%. A change in the main UK corporation tax rate was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19% rather than the previously enacted reduction to 17%. The impact of this change would be to increase the deferred tax liability by £71,000 to £672,000.

10 Intangibles

	Goodwill £000	Franchise fee £000	Total £000
Cost			
As at 1 July 2018	20	4	24
Disposals	-	(4)	(4)
As at 31 December 2019	20	-	20
Accumulated depreciation			
As at 1 July 2018	20	1	21
Provided during the period	-	1	1
Disposals	-	(2)	(2)
As at 31 December 2019	20	-	20
Carrying amount			
As at 1 July 2018	-	3	3
As at 31 December 2019	-	-	-

Notes to the financial statements (*continued*)

11 Tangible assets

	Land and buildings £000	Plant and machinery £000	Leasehold improvements £000	Total £000
Cost or valuation				
As at 1 July 2018	13,000	3,499	38	16,537
Additions in the year	59	-	-	59
Revaluation gains	3,461	-	-	3,461
Disposals	(3,395)	(2,821)	(38)	(6,254)
Reclassification	(200)	-	200	-
As at 31 December 2019	12,925	678	200	13,803
Accumulated depreciation				
As at 1 July 2018	260	602	1	863
Charge for the year	298	388	14	700
Disposals	(505)	(931)	(1)	(1,437)
As at 31 December 2019	53	59	14	126
Carrying amount				
As at 1 July 2018	12,740	2,897	37	15,674
As at 31 December 2019	12,872	619	186	13,677

12 Inventories

	31 December 2019 £000	30 June 2018 £000
Finished goods and goods for resale	-	789

Inventories expensed are shown within cost of sales. All inventories are carried at the lower of cost and net realisable value. No inventories were provided against in the year (2018: £nil).

Notes to the financial statements (*continued*)

13 Debtors

	31 December 2019 £000	30 June 2018 £000
Trade debtors	6	790
Amounts owed by group undertakings	2,867	-
Other debtors	1	-
Prepayments and accrued income	-	11
	2,874	801

The amount due from group undertakings represents the balance of the proceeds from the sale of the Company's freehold sites to Motor Fuel Limited immediately following the acquisition by MFG in June 2019. This balance is due currently and does not earn interest.

14 Creditors: amounts falling due within one year

	31 December 2019 £000	30 June 2018 £000
Amounts payable to group undertakings	8,665	-
Bank loans	-	228
Obligations under finance leases and hire purchase contracts	-	11
Trade creditors	-	3,057
Corporation tax payable	265	171
Other tax and social security costs	-	181
Other creditors	-	1,679
Accruals and deferred income	-	130
	8,930	5,457

Immediately prior to acquisition by MFG, all bank debt and intercompany liabilities were settled in full. Amounts due to group undertakings are repayable on demand with no fixed repayment date and unsecured. Interest is allocated across the group in proportion to the reliance on group debt in each entity.

Notes to the financial statements (*continued*)

15 Provisions for other liabilities

	Deferred tax liability	Total
	£000	£000
As at 1 July 2018	74	74
Credited to the profit and loss account	(32)	(32)
Charged to equity	559	559
As at 31 December 2019	601	601

The provision for deferred tax consists of the following elements:

	31 December 2019	30 June 2018
	£000	£000
Accelerated capital allowances	42	74
Revaluation of land and buildings (note 11)	559	-
	601	74

16 Share Capital

	Nominal value	31 December 2019 No.	31 December 2019 £000	30 June 2018 No.	30 June 2018 £000
A Ordinary shares	£1	45	-	45	-
B Ordinary shares	£1	45	-	45	-
C Ordinary shares	£1	5	-	5	-
D Ordinary shares	£1	5	-	5	-
		100	-	100	-

Notes to the financial statements (*continued*)

17 Capital and other commitments

At 31 December, the Company had commitments under non-cancellable operating leases. The total future value of minimum lease payments is due as follows:

	31 December	30 June
	2019	2018
	£000	£000
Operating leases which expire:		
Within one year	30	50
In one to five years	120	120
Later than five years	87	-
	237	170

The leases all relate to land and buildings.

18 Revaluation reserve

The movement on revaluation reserve during the period/year was:

	18 months to	Year to
	31 December	30 June
	2019	2018
	£000	£000
Revaluation reserve brought forward	3,812	595
Gain on revaluation of land and buildings	-	3,217
Deferred tax arising on the revaluation of land and buildings	(559)	(724)
Prior year adjustment	-	724
Revaluation upon acquisition by MFG	3,461	-
Revaluation release upon disposal	(1,599)	-
Revaluation reserve carried forward	5,115	3,812

Notes to the financial statements (*continued*)

19 Ultimate controlling party

The immediate parent undertaking is Motor Fuel Limited, registered in England and Wales.

In the opinion of the Directors the ultimate controlling party is CD&R Firefly Holdings Sàrl, registered in Luxembourg.

The smallest and largest groups to consolidate these financial statements are CD&R Firefly 4 Limited and CD&R Firefly Holdco Limited respectively. Both of these companies' consolidated financial statements are available from Companies House. Directors' interests in MFG are disclosed therein.

20 Contingent liabilities and guarantees

Under the terms of MFG's secured bank loans, all entities in the MFG group guarantee the debts of the MFG group.

21 Post balance sheet events

In March 2020 the UK Government declared a formal lockdown in response to the global Covid 19 pandemic. The petrol filling stations were deemed to be an essential service and remained open. Retail fuel sales were reduced as a consequence of the lockdown and the food to go outlets were required to close, however the convenience store side of the business traded strongly as the general public moved away from visiting the big supermarkets and shopped in the smaller, more local convenience stores.

MFG put in place a number of measures to manage liquidity and cash flow during this period as detailed in the strategic report. In addition to those measures MFG announced in April 2020 that it had secured additional liquidity through a one year increment to the existing RCF facility of £80m. This incremental facility provides additional financial support and should only be required in the event there is a further material change to trading patterns.

The Directors have considered the impact of Covid 19 and the lockdown on the accounts and have taken the view that it is a non adjusting event for the 2019 accounts on the basis that the sites remain open, continue to trade and there are no accounting adjustments required to the balance sheet.