Registered number: 09826778

EG Finco Limited

Annual report and Financial Statements

For the year ended December 31, 2022

EG Finco Limited
For the year ended December 31, 2022

Company information

Directors	Mohsin Issa Zuber Vali Issa
Company Secretary	Imraan Patel
Registered office	Waterside Head Office Haslingden Road Guide Blackburn Lancashire United Kingdom BB1 2FA
Auditor	KPMG LLP 15 Canada Square London United Kingdom E14 5GL

EG Finco Limited
For the year ended December 31, 2022

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Strategic report

The Directors present their Strategic report for EG Finco Limited (the "Company") for the year ended December 31, 2022.

Principal business activities

The Company is a wholly owned subsidiary of EG Group Limited.

The Company forms part of the group of companies referred to as the EG Group Limited (the "Group"), and its principal activity is acting as an intermediary holding company and financing company within the Group. The Group provides fuel forecourt services across the UK, Continental Europe, the US and Australia, including Fuel, Grocery and Merchandise and Foodservice sales.

Our stakeholders and section 172

We believe that a real understanding of our Companies' stakeholders is key to securing long-term success and maximising value in the business. This understanding enables us to consider the potential impact of our decisions on each stakeholder group (in accordance with Section 172 of the Companies Act 2006), communicate effectively and then act in a responsible way. Acting in a responsible manner is at the heart of the Companies' business practice, as set out on pages 24 to 53 of the EG Group Limited annual report to the year-end 31 December 2022.

Through Director and senior management discussions, we have identified the Companies' key stakeholders to be investors and lenders.

Our investors and lenders play an important role in our business and growth strategy. We maintain close and supportive relationships with this group of long-term stakeholders, characterised by openness, transparency and mutual understanding.

Our investors are interested in a broad range of issues, including the Group's financial and operational performance, strategic execution, investment plans, capital allocation and sustainability.

The ongoing support of our investors is important to enable the continued growth and development of the business.

How we engage:

- Quarterly investor presentations are hosted by the Group Co-CEOs, Mohsin Issa and Zuber Issa, and the Group CFO and ad-hoc investor announcements are provided for relevant Company updates. There are also regular calls for investors with the CFO and Investor Relations team.

- A dedicated online investor portal is updated with presentations, financial reports, trading updates and press releases and an investor mailbox is actively managed by the Investor Relations team.

- Engagement with investors and lenders on matters relating to sustainability to understand their objectives and inform our ESG strategy and targets.

2022 Engagement:

- Continued regular communication with investors during the year, providing operational, strategic and financial updates, with active engagement and well-attended quarterly investor presentations and attendance at external investor conferences.

- Regular updates and maintenance of the Group's Investor pages on our corporate website providing up to date information for investors.

- Engagement with investors on ESG including the publication of our first Sustainability report in October 2022 and regular updates as part of our quarterly presentations, as well as in person meetings and active dialogue with our Head of ESG. Engagement with investors also helped to inform the Group's ESG materiality assessment in early 2022.

- An active and transparent dialogue was maintained with investors on the Group's refinancing strategy and broader strategic options as this developed during 2022 and continued into 2023.

EG Finco Limited
For the year ended December 31, 2022
Strategic report

Review of the business

The Income statement on page 10 shows the Company's results for the year. For the year ended December 31, 2022, the Company saw an operating loss of £28m compared to an operating loss of £76m in 2021. The main driver of this was an increase in royalty revenue recognised in the current period due to a decrease in issued credit notes in respect of the royalty revenue in the current year. The Company made a loss before taxation of £68m (2021: profit of £22m). The loss, compared to prior year profit of £22m, was primarily driven by foreign exchange losses.

On January 13, 2022, the Company received a full repayment in relation to the debt financial asset that it purchased on February 8, 2021 for £165m. The total amount received was £178m which included accrued interest of £13m.

Total assets and total liabilities have increased in 2022 (Assets: £6,869m; Liabilities: £6,604m), (2021: Assets: £6,791m; Liabilities: £6,471m).

Other than settling and paying interest and debt issue costs on intra-group and external loans, and providing central management services to the Group, the Company does not trade and therefore the Directors are of the opinion that key performance indicators are not relevant for an understanding of the Company's performance.

Principal risks and uncertainties

From the perspective of the Company, principal risks and uncertainties are primarily integrated with the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the EG Group Limited consolidated group annual report and financial statements which do not form part of this report. In addition to the risks discussed at group level the principal risks for the Company include the recoverability of intercompany receivables and investments in subsidiary undertakings. This is noted as a principal risk to the Company due to the impact default would have on the Company's ability to repay external debt. These risks are managed at a group level when reviewing forecasts, which are prepared at a country/acquisition level and allow management to identify any potential exposure.

Approved by the Board of Directors and signed on its behalf by:

Zuber Issa
Co-Chief Executive Officer

November 13, 2023

Waterside Head Office
Haslingden Road
Blackburn
Lancashire
BB1 2FA

EG Finco Limited
For the year ended December 31, 2022

Directors' report

The Directors present their Annual report and the audited financial statements for the Company for the year ended December 31, 2022.

Future developments and post balance sheet events

The Directors expect the activities as detailed in the Strategic report to continue for the foreseeable future without material change.

On June 28, 2023, the Group successfully completed an amendment and extend (A&E) exercise for its term loans. The purpose of the A&E exercise was to address the upcoming term loan maturities by extending the maturity date to February 2028, thereby establishing a sustainable capital structure for the medium to long term.

Furthermore, later in 2023 management expects that proceeds from its transactional activity will be further used to repay the Company's remaining external facilities on a pro rata basis. Further information on the Company's post balance sheet events is provided in note 20 to the financial statements.

Directors of the Company

The Directors who held office during the year, and up to the date of signing the financial statements unless otherwise stated, were as follows:

Mohsin Issa
Zuber Vali Issa

Dividends

The Company has not declared nor paid any dividend for the year ended December 31, 2022 (2021: £nil). On January 25, 2023, the Company declared an interim dividend for the year ended December 31, 2023 to its parent entity for the value of £3,026m. Further information on the Company's post balance sheet events is provided in note 20 to the financial statements.

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and those of its subsidiaries, which were made during the year and remain in force at the date of this report.

Corporate governance arrangements

Corporate governance for the Company is managed at group level. For the year ended December 31, 2022, under The Companies (Miscellaneous Reporting) Regulations 2018, the Group has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council ("FRC") in December 2018 and available on the FRC website). For further details, see pages 62 to 82 of the EG Group Limited Annual report for the year ended December 31, 2022.

Employee engagement

Employees of the Company consist of the Directors and senior management of EG Group Limited and are therefore engaged on key decisions within the Company and the Group.

Business relationships

The Company is a financing company for the Group and as such its key business relationships are with investors and lenders. Further details on how this relationship is managed are provided on page 1 of the Strategic report.

Energy and carbon reporting

The Company's environmental impact is managed at group level. The Group is committed to being environmentally responsible and aims to positively manage its impact on the environment. The Group has committed to reduce our carbon footprint by at least 50% by 2030 (vs 2021) and will reach net zero by 2050. Greenhouse gas emissions will be disclosed aspart of the SECR reporting in the 2022 Annual report. For further details, see pages 36 to 43 of the EG Group Limited Annual report.

Directors' report

Objectives and policies

The Company is wholly owned by EG Group Limited and therefore its objectives and policies are governed by the Group's policies and procedures. These policies and procedures are discussed more fully within the EG Group Limited consolidated group financial statements.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company borrows in the currencies in which the underlying group generates funds in order to mitigate the foreign exchange risk. From time to time foreign exchange forward contracts and interest rate swap contracts may be used to further hedge these exposures.

Liquidity and credit risk

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance. The Company receives cash to service its debts from other group companies, to whom it has passed on the funding underloan agreements. The Group has cash flow forecasts to demonstrate its ability to pay its debts as they fall due and to comply with its relevant debt covenants which are measured on the performance of the Group. The Company has disclosed the maturity of its debt financing in Note 17 of the financial statements.

Going concern

The Company forms part of the group companies of EG Group Limited and its subsidiaries (collectively referred to as the "Group"), the Company is under common management of the Group and benefits from Group support when needed.

The Company's principal activity is acting as an intermediary holding company and financing company within the Group. The Company has raised external bank loans and lends the amounts received to entities in the wider group headed by EG Group Limited. As explained in Note 17, the external bank loans are guaranteed by EG Group Limited and certain entities of the Group. The Company is reliant on the non-recall of the amounts currently due to the Group, the receipt of interest and royalty income from group companies to meet its liabilities as they fall due and, to the extent that income does not cover expenses, on financial support from the group headed by EG Group Limited.

The Directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its intermediate parent company, EG Group Ltd, to meet its liabilities as they fall due during a 12-month period from the date of approval of the financial statements, the going concern assessment period. Due to the reliance on funding from the Group, the Company is subject to the cash flows of the Group and therefore the forecasts assessed by management are those of the Group. The cashflow considers any events after the balance sheet date, as outlined in note 20, which may impact the going concern of the Company. Notably the Group's agreement to sell the majority of the UK and Ireland business to Asda for an enterprise value of £2bn. This transaction completed on October 31, 2023 with the proceeds being used to partially repay the Group's and by extension, the Company's debt.

The Directors have also considered a number of key factors, including the Group's business model, strategy, principal risks and uncertainties and the financial position of the Group, including the current cash position and available working capital facilities, financial forecasts for a period until November 30, 2024, and the ability to adhere to the covenants contained within the Group's financing agreements.

The Directors have prepared base and sensitised cash flow forecasts for a period until November 30, 2024, which indicate that the Group and Company will remain compliant with their covenants and will have sufficient funds through their existing cash balances and available facilities to meet their liabilities as they fall due for that period, without any structural changes to the business needed. The forecasts include the effect on trading and financing cash flows and the reduction in net debt from the planned disposal of the majority of the UK&I business and the amend and Extend ("A&E") of the Group's terms loans. No further structural changes to the business are forecast to be needed.

Directors' report

The Group's severe but plausible downside scenarios reflect the impact of costs increasing above what can be passed on through retail prices, where doing so may result in a loss of sales. The principal trading and recovery assumptions are broadly aligned to those observed in the Group's historical performance. Whilst not a key factor in the Directors' going concern conclusion, the Group does also have other significant potential mitigations at its disposal to improve its short-term liquidity position and to comply with financial covenants should the need arise, including scaling back its capital investment programme. As a result of the uncertainties surrounding the forecasts due to the current macroeconomic climate, the Group has also modelled a reverse stress test scenario. The reverse stress test models the decline in gross margin that the Group would be able to absorb before requiring additional sources of financing in excess of those that are available and committed. On the basis of the Group's resilient trading performance during the current macroeconomic conditions, and the observed inverse correlation between fuel margins and volumes, the Directors have considered that the sequence of events leading to this scenario would be considered remote.

EG Group Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any Company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Events after the balance sheet date

Details of significant events occurring since the balance sheet date are set out in Note 20 to the financial statements.

Auditor

Each of the persons who is a director at the date of approval of this Annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to s487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on its behalf by

Zuber Issa
Co-Chief Executive Officer

November 13, 2023

Waterside Head Office
Haslingden Road Guide
Blackburn
Lancashire
United Kingdom
BB1 2FA

Statement of Directors' responsibilities in respect of the Annual report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of EG Finco Limited

Opinion

We have audited the financial statements of EG Finco Limited ("the Company") for the year ended December 31, 2022 which comprise the Income statement, Balance sheet and Statement of Changes in Equity and related notes, including the accounting policies in Note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at December 31, 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under,and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of Directors and inspection of policy documentation as to the EG Group's high-level policies and procedures to prevent and detect fraud which applies to the Company, including the internal audit function, as well whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible procedures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the ECL provision. On this audit we do not believe there is a fraud risk related to revenue recognition as the opportunity for management to achieve this using the interest income at a transactional level is limited, the simplicity of the calculations and low volume, high value nature with limited judgemental aspects to interest income and royalty income recognition.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company's fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non- compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity, and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non- compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Strategic report and Directors' report

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistentwith the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of EG Finco Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern,disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative butto do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. Tothe fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adrian Wilcox

Adrian Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

November 13, 2023

Income statement
For the year ended December 31, 2022

	Notes	Year ended December 31, 2022 Before exceptional items £000s	Exceptional Items (Note 4) £000s	After exceptional items £000s	Year ended December 31, 2021 Before exceptional items £000s	Exceptional Items (Note 4) £000s	After exceptional items £000s
Revenue	22	18,013	-	18,013	(30,559)	-	(30,559)
Administrative (expenses)/income		(47,205)	1,370	(45,835)	(38,721)	(6,870)	(45,591)
Operating loss		(29,192)	1,370	(27,822)	(69,280)	(6,870)	(76,150)
Finance income	7	563,232	-	563,232	492,117	29,153	521,270
Finance costs	8	(603,698)	-	(603,698)	(386,134)	(36,599)	(422,733)
(Loss)/profit before taxation		(69,658)	1,370	(68,288)	36,703	(14,316)	22,387
Tax credit/(charge)	9	13,170	-	13,170	(13,323)	-	(13,323)
Total (loss)/profit and total comprehensive expense/income for the financial year		(56,488)	1,370	(55,118)	23,380	(14,316)	9,064

The notes on pages 13 to 34 form part of these financial statements.

Operating income and operating loss are all derived from continuing operations. There was no other comprehensive income or expenses during the current or preceding year. Accordingly, no separate Statement of Comprehensive Income has been presented.

EG Finco Limited

Balance sheet
As at December 31, 2022

	Notes	2022 £000s	2021 £000s
Non-current assets			
Investments	11	**1,728,966**	1,728,966
Loan and other receivables	12	**4,879,224**	4,615,006
		6,608,190	6,343,972
Current assets			
Debt financial asset	13	**-**	178,456
Loan and other receivables	14	**226,194**	205,056
Current income tax asset		**-**	750
Cash and cash equivalents		**34,725**	63,043
		260,919	447,305
Total assets		**6,869,109**	6,791,277
Current liabilities			
Trade and other payables	15	**(467,812)**	(1,036,522)
Current income tax liabilities		**(151)**	-
Borrowings	17	**(235,443)**	(22,150)
		(703,406)	(1,058,672)
Net current liabilities		**(442,487)**	(611,367)
Non-current liabilities			
Other payables	16	**(2,933,544)**	(2,613,202)
Borrowings	17	**(2,961,424)**	(2,792,389)
Deferred tax liabilities	9	**(5,805)**	(6,966)
		(5,900,773)	(5,412,557)
Total liabilities		**(6,604,179)**	(6,471,229)
Net assets		**264,930**	320,048
Capital and reserves			
Called up share capital	18	**2**	2
Share premium account	19	**313,229**	313,229
Retained earnings/(losses)		**(48,301)**	6,817
Total shareholders' funds		**264,930**	320,048

The notes on pages 13 to 34 form part of these financial statements.

The financial statements on pages 10 to 34 of EG Finco Limited, registered number: 09826778, were approved by the Board and authorised for issue on November 13, 2023. They were signed on its behalf by:

Zuber Issa
Co-Chief Executive Officer

EG Finco Limited

Statement of changes in equity
As at December 31, 2022

	Share capital £000s	Share premium account £000s	Retained earnings / (losses) £000s	Total £000s
Balance at January 1, 2021	2	313,229	(2,247)	310,984
Profit for the year and total comprehensive income	-	-	9,064	9,064
Balance at December 31, 2021	2	313,229	6,817	320,048
Loss for the year and total comprehensive expense	-	-	(55,118)	(55,118)
Balance at December 31, 2022	**2**	**313,229**	**(48,301)**	**264,930**

The notes on pages 13 to 34 form part of these financial statements.

1. General information

EG Finco Limited (the Company), is a company incorporated in the United Kingdom (UK) under the Companies Act 2006. The address of the registered office is listed on the company information section. The Company is a private company limited by shares and is registered in England and Wales.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of EG Group Limited. The group accounts of EG Group Limited are available to the public and can be obtained as set out in Note 21. The registered office address of the parent Company preparing consolidated accounts is Waterside Head Office, Blackburn, BB1 2FA, United Kingdom.

2. 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.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention basis except for certain financial assets and liabilities measured at fair value and in accordance with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The preparation of financial statements in conformity with FRS 101 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, presentation of a cash flow statement, impairment of assets and related party transactions. The Company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements, as it is a subsidiary of EG Group Limited which itself produces consolidated financial statements.

The financial statements are presented in pounds sterling ("GBP"), the functional currency for the entity reflecting the primary economic environment in which the Company operates.

Going concern

The Company forms part of the group companies of EG Group Limited and its subsidiaries (collectively referred to as the "Group"), the Company is under common management of the Group and benefits from Group support when needed.

The Company's principal activity is acting as an intermediary holding company and financing company within the Group. The Company has raised external bank loans and lends the amounts received to entities in the wider group headed by EG Group Limited. As explained in Note 17, the external bank loans are guaranteed by EG Group Limited and certain entities of the Group. The Company is reliant on the non-recall of the amounts currently due to the Group, the receipt of interest and royalty income from group companies to meet its liabilities as they fall due and, to the extent that income does not cover expenses, on financial support from the group headed by EG Group Limited.

2. Significant accounting policies (continued)

Going concern (continued)

The Directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its intermediate parent company, EG Group Ltd, to meet its liabilities as they fall due during a 12-month period from the date of approval of the financial statements, the going concern assessment period. Due to the reliance on funding from the Group, the Company is subject to the cash flows of the Group and therefore the forecasts assessed by management are those of the Group. The cashflow considers any events after the balance sheet date, as outlined in note 20, which may impact the going concern of the Company. Notably the Group's agreement to sell the majority of the UK and Ireland business to Asda for an enterprise value of £2bn. This transaction completed on October 31, 2023 with the proceeds being used to partially repay the Group's and by extension, the Company's debt.

The Directors have also considered a number of key factors, including the Group's business model, strategy, principal risks and uncertainties and the financial position of the Group, including the current cash position and available working capital facilities, financial forecasts for a period until November 30, 2024, and the ability to adhere to the covenants contained within the Group's financing agreements.

The Directors have prepared base and sensitised cash flow forecasts for a period until November 30, 2024, which indicate that the Group and Company will remain compliant with their covenants and will have sufficient funds through their existing cash balances and available facilities to meet their liabilities as they fall due for that period, without any structural changes to the business needed. The forecasts include the effect on trading and financing cash flows and the reduction in net debt from the planned disposal of the majority of the UK&I business and the amend and Extend ("A&E") of the Group's terms loans. No further structural changes to the business are forecast to be needed.

The Group's severe but plausible downside scenarios reflect the impact of costs increasing above what can be passed on through retail prices, where doing so may result in a loss of sales. The principal trading and recovery assumptions are broadly aligned to those observed in the Group's historical performance. Whilst not a key factor in the Directors' going concern conclusion, the Group does also have other significant potential mitigations at its disposal to improve its short-term liquidity position and to comply with financial covenants should the need arise, including scaling back its capital investment programme. As a result of the uncertainties surrounding the forecasts due to the current macroeconomic climate, the Group has also modelled a reverse stress test scenario. The reverse stress test models the decline in gross margin that the Group would be able to absorb before requiring additional sources of financing in excess of those that are available and committed. On the basis of the Group's resilient trading performance during the current macroeconomic conditions, and the observed inverse correlation between fuel margins and volumes, the Directors have considered that the sequence of events leading to this scenario would be considered remote.

EG Group Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any Company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Exceptional items

The Directors consider that an adjusted profit measure provides useful information for the underlying trends,performance and position of the Company. These measures are consistent with how business performance is measured internally by the Board. Profit before exceptional items is not a recognised measure under IFRS and may not be directly comparable with adjusted measures used by other companies.

The Directors exercise judgement in determining the items to classify as exceptional items. This assessment considers the nature of the item, cause of occurrence and the scale of impact of that item on reported performance. Reversals of previous exceptional items are assessed based on the same criteria. Directors exercise judgement in ensuring there is an equal focus by management in classifying both expenses and revenue items as exceptional.

The Group's definition of exceptional items, together with further details of adjustments made during the period, is provided in Note 4.

2. Significant accounting policies (continued)

Revenue recognition

The Company makes available intellectual property to fellow Group companies. Revenue represents usage-based royalties for this intellectual property and is recognised as the fellow Group companies use the intellectual property based upon a percentage of net revenue. Typically, the income is invoiced annually and paid within 30 days of invoice.

Administrative expenses

Administrative expenses reflect the costs borne by the Company for its role in administration of the Group. This includes items such as payroll for certain Group employees and professional fees for strategic group projects.

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Impairment of investments

At each balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that these have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs of disposal 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 investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amountof revenue can be measured reliably). Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable,which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance income and costs

Finance income and costs are recognised in the income statement in the year to which it relates using the effective interest rate method.

Finance income comprises of:

- Interest receivable which is recognised in the income statement as it accrues using the effective interest method
- Foreign exchange gains arising on financing
- Finance income is recognised in the income statement in the year in which it occurs
- Expected credit loss provision reversals.

Finance costs comprise of:

- Interest payable which is recognised in the income statement as it accrues using the effective interest method
- Foreign exchange losses arising on financing
- Financing costs of raising debt
- Expected credit loss provisions.

2. Significant accounting policies (continued)

Foreign currencies

The financial statements are presented in GBP, which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Cash and cash equivalents

Cash and cash equivalents include cash at bank, in hand, short-term deposits with banks and other financial institutions with an initial maturity of three months or less, and credit/debit card receivables, which are settled within 72 hours. Bank overdrafts are presented as short-term borrowings, and are reflected as a financing activity in the statement of cash flows.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

Financial assets and liabilities principally consist of loan and other receivables, cash and cash equivalents, trade and other payables, borrowings and derivative financial instruments held at fair value through profit and loss.

Loan and other receivables

Loan receivables due from group undertakings are initially recognised as financial assets when the Company is contractually entitled to receive cash. At initial recognition, they are measured at fair value. The Company holds loan receivables with the objective of collecting the contractual cash flows and the cash flows are solely payments of principal and interest and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Trade and other payables

Trade and other payables (excluding derivative financial liabilities) are recorded at cost.

Financial liabilities and equity components

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2. Significant accounting policies (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Subsequently, financial assets will be measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), or fair value through profit and loss ("FVTPL"), on the basis of both the Company's model for managing the assets and the contractual cash flows associated with them. Where a trade receivable does not contain a significant financing component under IFRS 15, it will be measured at its transaction price.

Amortised cost

Financial assets are measured at amortised cost where the asset is held for the objective of collecting contractual cash flows and the terms of the asset give rises to cash flows on specific dates that are solely payments of principal and interest on the amount outstanding.

The effective interest method is utilised in the calculation of amortised cost of a debt instrument and for allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss ("FVTPL").

Impairment of financial assets

At each balance sheet date, financial assets are assessed for indicators of impairment, considering all reasonable and supportable information available, including that which is forward-looking where this is available without undue cost and effort. If the credit risk on a financial asset has increased significantly since initial recognition, an impairment equivalent to the lifetime expected credit losses on the instrument will be recognised immediately. If the credit risk has not significantly increased since initial recognition, a loss allowance shall be measured equivalent to twelve-month expected credit losses.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve month ECLs are the portion of ECLs that result from default events that are possible within the twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses.

For certain categories of financial asset, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets,

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2. Significant accounting policies (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, or when there is no reasonable expectation of recovering the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' ("FVTPL") or 'other financial liabilities' carried at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs (except those measured at FVTPL which are initially measured at fair value).

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument for another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Where the change in terms reflects only a non-substantial modification, a gain or loss equal to the difference between the present value of cash flows under the new and the old terms will be immediately recognised in profit or loss.

Derivative financial instruments

The Company may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non- current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Operating loss

Operating loss is stated before finance income and finance costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

2. Significant accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. 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 profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The Directors exercise judgement in determining the items to classify as exceptional items. This assessment considers the nature of the item, cause of occurrence and the scale of impact of that item on reported performance. Reversals of previous exceptional items are recognised as exceptional items. Directors exercise judgement in ensuring there is an equal focus by management in classifying both expenses and revenue items as exceptional. Further details of adjustments made during the period, is provided in Note 4.

Key sources of estimation uncertainty

Impairment of investments

At each balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that these have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs of disposal 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 investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Further disclosure is provided in Note 11.

Expected credit losses

A provision for expected credit losses has been recognised against intercompany receivables to reflect an expected market fair value of these assets. Key estimations in arriving at this provision include the likelihood of default and the potential losses, which would be incurred in the event of default. Any difference between the expected credit loss and the actual future loss will be accounted for in the period when such loss is realised.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD), and exposure at default (EAD). The provision for expected credit losses is sensitive to changes in the key assumption such as PD and LGD. An increase of 1% percentage points of the PD at the balance sheet date would have increased the provision of expected credit losses by £10,160,000. An increase of 10% percentage points in the LGD at the balance sheet date would have increased the provision of expected credit losses by £17,983,000. These calculations assume that the change occurred at the balance sheet date and had been applied to the EAD existing as at that date and all other variables remain constant.

4. Exceptional items

In order to allow a better understanding of the underlying trading performance of the Company, items recognised in reported profit or loss before tax which, by virtue of their size and or nature, do not reflect the Company's underlying performance are shown as exceptional items (in accordance with the Company's accounting policies in Note 2). These items are as follows:

	2022	2021
	£000	£000
Included within operating loss:		
Acquisition and transaction related income/(costs)	**1,370**	(6,870)
Included within finance income:		
Finance income from recharged finance costs (Note 7)	**-**	29,153
Included within finance costs:		
Transaction related finance costs (Note 8)	**-**	(36,599)
Total exceptional items	**1,370**	(14,316)

All items are shown gross, unless IFRS permits netting of such expenditure.

2022

Acquisition and transaction-related income relates to a reversal of legal and professional fees associated with the acquisition of 285 OMV service stations in Germany which completed on May 1, 2022.

2021

In 2021 the exceptional items within operating loss of £6,870,000 predominantly related to directly attributable incremental costs incurred as a result of the Group's growth acquisitions, and largely related to professional and legal fees.

Transaction-related finance costs amounting to £4,246,000 were incurred following the refinancing of the Group's revolving credit facility, letter of credit facilities and second lien facilities during the year, the existing arrangement fees which had been capitalised onto the balance sheet have been expensed in the year.

Transaction-related finance costs amounting to £32,353,000 related to the financing costs which were directly incurred in relation to the GBP private placement notes which were agreed in March 2021 and subsequently redeemed in October 2021.

The finance income from recharged finance costs reflects the reimbursement of these transaction-related finance costs by Bellis Property Newco Ltd, a related party of the Company.

5. Auditor's remuneration

Fees payable to KPMG LLP and their associates for the audit of the Company's annual accounts were £496,000 (2021: £333,000).

No fees were payable to KPMG LLP and their associates for non-audit services to the Company (2021: £nil).

Notes to the financial statements (continued)

For the year ended December 31, 2022

6. Staff costs

The average monthly number of employees (including Executive Directors) was:

	2022	2021
Administration	7	7
Directors	2	2
	9	9

Their aggregate remuneration comprised:

	2022 £000	2021 £000
Wages and salaries (excluding Directors)	4,427	5,926
Salaries, fees bonuses and benefits in kind (Directors)	1,000	1,000
Social security costs	471	581
Other pension costs	8	7
	5,906	7,514

Highest paid director:

	2022 £000	2021 £000
Salaries, fees bonuses and benefits in kind	500	500

	2022	2021
Number of Directors	2	2

Total compensation for key management personnel is comprised of short-term employee benefits totaling £1,000,000 (2021: £1,000,000).

No Directors or key management personnel are members of the Company's defined benefit pension scheme (2021: none).

No Directors are members of money purchase schemes (2021: none).

The Company operated a defined contribution scheme. During the year the Company made contributions to defined contribution schemes of £8,000 (2021: £7,000) There were no amounts outstanding to defined contribution schemes at December 31, 2022 (2021: £nil).

Notes to the financial statements (continued)
For the year ended December 31, 2022

7. Finance income

	2022 £000	2021 £000
Interest receivable:		
On loans to related parties	**7,471**	4,773
On intercompany balances owed to fellow subsidiaries	**410,608**	283,929
On intercompany balances owed to parent entity	**5,794**	2,912
Finance income from recharged finance costs (Note 4)	**-**	29,153
Exchange gains on foreign currency cash deposits	**3,830**	486
Exchange gains on foreign currency intercompany loans	**134,902**	46,458
Exchange gains on foreign currency loans and borrowings	**-**	140,479
External interest income	**627**	13,080
Total finance income	**563,232**	521,270

8. Finance costs

	2022 £000	2021 £000
Interest payable on bank overdrafts and loans	**196,096**	141,660
Interest payable on loans from group undertakings	**236,754**	209,606
Transaction-related finance costs (Note 4)	**-**	36,599
Exchange losses - other	**6,561**	-
Exchange losses on foreign currency cash deposits	**-**	9,156
Exchange losses on foreign currency loans and borrowings	**137,317**	-
Financial instruments at FVTPL	**8,766**	3,145
Guarantee costs	**8,009**	5,972
Provision for expected credit losses	**9,479**	15,625
Other finance costs	**716**	970
Total finance costs	**603,698**	422,733

9. Tax

	2022 £000	2021 £000
Corporation tax:		
UK corporation tax	**12,009**	(2,217)
Deferred tax:		
Origination and reversal of temporary differences	**882**	(9,433)
Changes in tax rates	**279**	(1,673)
	1,161	(11,106)
Total tax credit/(charge)	**13,170**	(13,323)

9 Tax (continued)

The charge for the year can be reconciled to the profit/(loss) in the Income statement is as follows:

	2022	2021
	£000	£000
(Loss) / profit before tax	**(68,288)**	22,387
Tax at the UK corporation tax rate of 19% (2021: 19%)	**12,975**	(4,254)
Tax effect of non-deductible acquisition expense	**(1,699)**	(5,543)
Tax effect of group relief surrendered for no payment	**(6,659)**	(8,829)
Tax effect of adjustments in respect of prior period	**-**	43
Effect of change in tax rates	**279**	(1,673)
Movement in uncertain tax positions	**(901)**	(2,259)
Movement in unrecognised deferred tax	**9,175**	9,192
Tax credit (charge) for the year	**13,170**	(13,323)

The current tax rate used for the year is 19% (2021: 19%) based on rates already enacted in previous periods.

An increase in the UK corporation rate from 19% to 25% (effective April 1, 2023) was substantively enacted on May 24, 2021. This will increase the company's future current tax charge accordingly. Deferred tax has been calculated using these rates based on the timing of when each individual deferred tax balance is expected to reverse in the future (2021: 25%). The effect of interest restriction represents the impact of the UK Corporate Interest Restriction rules (effective from April 1, 2017), which restrict the amount of interest that can be deducted for tax purposes by UK companies with reference to the Group's global interest expense.

In the year, the Company surrendered of tax losses totalling £67,946,000 to Optima Bidco (Jersey) Limited, a related party, for a total consideration of £12,910,000.

No material amounts relating to tax have been recognised in other comprehensive income during the year (2021: £nil).

Uncertain Tax Positions
The Company's uncertain tax positions relate to the pricing of its various inter-company transactions. As the transfer pricing calculation is often multifaceted, considering economics, finance, industry practice, and functional analysis, a company's transfer pricing position often sits at a particular point along a wide continuum of possible pricing outcomes. The inherent subjectivity in pricing inter-company balances gives rise to measurement uncertainty such that the outcome of any tax authority disputes in this area is not predictable. To reflect the effect of these uncertain positions a provision is recorded which represents management's assessment of the most likely outcome. At 31 December 2022, the Company held uncertain tax provisions of £3,160,000 (2021: £2,259,000).

Deferred tax
The following are the deferred tax (assets/liabilities recognised by the Company and movements thereon during the current and prior year.

	At December 31, 2021	Charged/(credited) to income statement	**At 31 December 2022**
	£000	£000	**£000**
Change of accounting policy (IFRS 9)	6,966	(1,161)	5,805
Total	**6,966**	**(1,161)**	**5,805**

9 Tax (continued)

At the balance sheet date, the Company had unused tax losses of £9.6m (2021: £9.6m) available for offset against future profits. A deferred tax asset was not recognised in respect of the losses in the current year or the prior year as it was not considered probable that there would be future taxable profits available against which the losses can be offset.

At the balance sheet date, the Company had excess interest capacity carried forward of £nil (2021: £124.9m) available for offset against future profits. A deferred tax asset was not recognised in respect of the excess interest capacity, as it is not considered probable that there will be future taxable profits available against which the excess interest capacity can be offset.

10. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	2022	2021
	£000	£000
Acquisition-related transaction (income)/costs	**(1,370)**	43,469
Finance income from recharged finance costs	**-**	29,153
Net foreign exchange loss/(gain)	**5,146**	(178,267)

11. Investments

	£000
Cost and net book value	
At January 1, 2021, December 31, 2021 and December 31, 2022	**1,728,966**

The Company is a parent company which holds the following subsidiaries that operate and are incorporated in the UK and internationally.

For the year ended December 31, 2022 impairment reviews were performed by comparing the carrying value of investments and the assets of the cash-generating units to which the investments relate with the recoverable amount of the cash-generating units.

The recoverable amounts for cash-generating units have been determined based on their fair value less costs to sell. Management determined that due to the potential for increased use of alternative fuel vehicles in the long term, it was more appropriate to use fair value to assess impairment because accounting standards do not permit in a value in use calculation the inclusion of earnings generated from future expansionary capital expenditure on the Group's existing multi-use retail sites. To determine these values, the Group uses an approach based on forecast Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA", which is a non-IFRS measure) and EBITDA valuation multiples of comparable corporations and market transactions ranging from 7.0 times to 13.5 times as at December 31, 2022 (2021: 7.5 times to 14 times).

All undertakings are held directly and indirectly by EG Finco Limited, which operate and are registered in either UK, Jersey or Continental Europe. A full list of the Company's related undertakings, registered office address and percentage of share class owned as at December 31, 2022 are disclosed below:

11. Investments (continued)

Subsidiary undertakings incorporated and operating in the United Kingdom

Name of undertaking	Principal activity	Principal place of business	Proportion of ordinary shares and voting power held %
Euro Garages Limited	Trading of fuel/other products	UK	100
Beehive Equity Limited	Holding company	UK	100
Wolfson Trago Limited	Restaurant operator	UK	100
Beehive FTG Limited	Restaurant operator	UK	100
Wycliffe Moore Limited	Restaurant operator	UK	100
EG Global Finance Plc	Holding company	UK	100
EG Foodservice Limited	Holding company	UK	100
Leon Restaurants Limited	Holding company	UK	100
Leon Grocery Ltd	Brand development	UK	100
Leon Naturally Fast Food PLC	Non-trading	UK	100
FeedBritain Ltd	Dormant	UK	100
CS Food Group Holdings Limited (1)	Holding company	UK	100
CS Food Group Limited (1)	Holding company	UK	100
Coopland & Son (Scarborough) Limited (1)	Manufacture of food	UK	100
Scotco Central Ltd	Holding company	UK	100
Scotco (Northern) Ltd	Restaurant operator	UK	100
Herbel (Western) Ltd (2)	Restaurant operator	UK	100
Herbel (Northern) Ltd (2)	Restaurant operator	UK	100
Scotco One Five Five Limited	Restaurant operator	UK	100
Scotco Midlands Ltd	Restaurant operator	UK	100
Scotco NI Limited	Restaurant operator	UK	100
Scotco One Four Five Ltd	Restaurant operator	UK	100
Scotco Trowbridge Ltd	Restaurant operator	UK	100
JRC Holdings Limited	Holding company	UK	100
Scotco Restaurants Limited	Restaurant operator	UK	100
Scotco Restaurants Southern Limited	Restaurant operator	UK	100
Pollo Limited	Restaurant operator	UK	100
Harland South Limited	Restaurant operator	UK	100
Kram Management Ltd	Holding company	UK	100
Kram Restaurants Limited	Restaurant operator	UK	100

All companies incorporated in the United Kingdom are registered at Waterside Head Office, Haslingden Road, Blackburn, Lancashire, BB1 2FA, unless otherwise stated below:

1.Cooplands Bakery Caxton Way, Eastfield, Scarborough, North Yorkshire, United Kingdom, YO11 3YT
2.Lindsay's Caledonian Exchange, 19a Canning Street, Edinburgh, Scotland, EH3 8HE

Notes to the financial statements (continued)

For the year ended December 31, 2022

11. Investments (continued)

International subsidiary undertakings

Name of undertaking	Principal activity	Principal place of business	Proportion of ordinary shares and voting power held %
Euro Garages (Jersey) Limited[1]	Holding company	Jersey	100
Scotco Restaurants (Jersey) Ltd[1]	Restaurant operator	Jersey	100
EG Dutch Finco B.V.[2]	Holding company	Netherlands	100
EG Holdings B.V.[2]	Holding company	Netherlands	100
EG Europe B.V.[2]	Holding company	Netherlands	100
EG Retail B.V.[2]	Holding company	Netherlands	100
EG (Benelux) B.V.[2]	Holding company	Netherlands	100
EG Retail (Netherlands) B.V.[2]	Trading of fuel/other products	Netherlands	100
EG Services (Netherlands) B.V.[2]	Operator of service stations	Netherlands	100
NRGValue Branding Nederland B.V.[2]	Trading of fuel/other products	Netherlands	100
NRGValue Retail Nederland B.V.[2]	Trading of fuel/other products	Netherlands	100
NRGValue Tankstations Nederland B.V.[2]	Trading of fuel/other products	Netherlands	100
EG Fuels (Kampen Terminal) B.V.[3]	Fuels depot operations	Netherlands	100
EG Fuels (Logistics) B.V.[3]	Fuels transportation	Netherlands	100
EG (France) B.V.[2]	Holding company	Netherlands	100
AJJ Hermes B.V.[2]	Real estate development	Netherlands	100
EG (Germany) B.V.[2]	Holding company	Netherlands	100
EG Food Services (Netherlands) B.V.[2]	Restaurant operator	Netherlands	100
EG (Italy) B.V.[2]	Holding company	Netherlands	100
The Tasty Company B.V.[12]	Restaurant operator	Netherlands	100
The Spicy Company B.V.[9]	Restaurant operator	Netherlands	100
FFR Arnhem B.V. [14]	Restaurant operator	Netherlands	100
FFR Nijmegen B.V. [15]	Restaurant operator	Netherlands	100
FFR Uden B.V. [16]	Restaurant operator	Netherlands	100
Paul Mahieu NV[13]	Trading of fuel/other products	Netherlands	99
EG Retail (Belgium) B.V.[4]	Trading of fuel/other products	Belgium	100
Station Services B.V.[4]	Dormant	Belgium	100
EG Retail (Station Support) B.V.[4]	Employer of service station colleagues	Belgium	100
Stars Loyalty Belgium B.V.[4]	Loyalty card business	Belgium	100
EG Services (Belgium) B.V.[4]	Employer of service station colleagues	Belgium	100
EG Services (Belgium Property) B.V.[4]	Real estate development	Belgium	100
Raga B.V.[4]	Real estate development	Belgium	100
EG Retail (Luxembourg) S.à.r.l.[5]	Trading of fuel/other products	Luxembourg	100
EG Services (Luxembourg) S.à.r.l.[5]	Trading of fuel/other products	Luxembourg	100
EG (Luxembourg) Holdings S.à.r.l.[5]	Holding company	Luxembourg	100
EG Business GmbH[6]	Trading of fuel/other products	Germany	100
EG Deutschland GmbH[8]	Holding company	Germany	100
EG Deutschland Retail & Energy GmbH[8]	Trading of fuel/other products	Germany	100
Echo Tankstellen GmbH[8]	Trading of fuel/other products	Germany	100
Retail Operating Company Deutschland GmbH[8]	Trading of fuel/other products	Germany	100
EG Deutschland Food Services GmbH[8]	Trading of fuel/other products	Germany	100
EG Deutschland K-Holding GmbH[8]	Holding company	Germany	100
KMS Autohof-Betriebsgesellschaft GmbH[17]	Trading of fuel/other products	Germany	100
Qualitel Hotel GmbH [17]	Real Estate development	Germany	100
KMS Fast Food GmbH [17]	Restaurant operator	Germany	100
M & L Gastronomiegesellschaft m.b.H [18]	Restaurant operator	Germany	100
Geiger Fast Food GmbH [19]	Restaurant operator	Germany	100
LUMAX GmbH [20]	Restaurant operator	Germany	100
EG Retail (Food Services France) SAS[7]	Trading of fuel/other products	France	100
EG Holdings (France) SAS[7]	Holding company	France	100
EG Retail (France) SAS[7]	Trading of fuel/other products	France	100
EG Services (France)[7]	Operator of service stations	France	100
EG Italia S.p.A[10]	Trading of fuel/other products	Italy	100
EGI-2 GO S.R.L[10]	Trading of fuel/other products	Italy	100
Scotco ROI Limited[11]	Restaurant operator	ROI	100

11. Investments (continued)

International subsidiary undertakings (continued)

1. Registered address: 47 Esplanade, St Helier, Jersey JE1 0BD
2. Registered address: Princenhagelaan 9, 4813 DA, Breda, The Netherlands
3. Registered address: Genuakade 4, 8263 CG, Kampen, The Netherlands
4. Registered address: Kapelsesteenweg 71, 2180 Ekeren, Belgium
5. Registered address: Bei der Härewiss 103, 1141 Luxembourg
6. Registered address: Bentheimer Strasse 120, 48529, Nordhorn, Germany
7. Registered address: Immeuble Le Cervier B, 12, avenue des Béguines, Cergy Saint Christophe, 95800 Cergy Pontoise, France
8. Registered address: Ludwig-Erhard-Straße 22, Hamburg, Germany
9. Registered address: Harderwijkweg 1, 2803 PW, Gouda
10. Registered address: Via Giovanni Marradi 4, Livorno, Livorno, 57126 Italy
11. Registered address: 67/68 Fitzwilliam Square, Dublin 2, Dublin, Ireland
12. Registered address: Jadestraat 11, 2665 NS, Bleiswijk
13. Registered address: Kapelsesteenweg 71, 2180 Ekeren
14. Registered address: Dwingelstraat 4, 6811 BR, Arnhem, The Netherlands
15. Registered address: Plein 1944 78, 6511 JE, Nijmegen, The Netherlands
16. Registered address: Voskestraat 1, 5406 PN, Uden, The Netherlands
17. Registered address: Bentheimer Strasse 239, 48529 Nordhorn, Germany
18. Registered address: Dieselstraße 4, 86356 Neusäß, Germany
19. Registered address: Laimgrubenweg 4, 89420 Höchstädt, Germany
20. Registered address: Rutesheimer Str. 21, 70499 Stuttgart, Germany

12. Non-current assets: loan and other receivables

	2022 £000	2021 £000
Amounts owed by parent undertakings falling due after one year	**80,342**	71,204
Amounts owed by subsidiary undertakings falling due after one year	**4,708,125**	4,481,978
Loans to related parties	**77,847**	61,824
Amounts owed by related parties (Note 9)	**12,910**	-
	4,879,224	4,615,006

Included in amounts owed by parent undertakings is a balance of £80,342,000 (2021: £71,204,000) owed by the Company's immediate parent, EG Group Limited. Provisions have been made for expected credit losses in respect of the amounts owed by parent undertakings of £568,000 (2021: £452,000).

Amounts receivable from group undertakings carry interest ranging between 4.5%-4.9% (2021: 4.5%) above 1-month EURIBOR in case of EUR balances, 7.75% (2021: 7.75%) above 1 month US LIBOR for long term USD debt, and ranging from 3.5%-5.0% (2021: 5.0%) above 1 month LIBOR in case of GBP. Balances are repayable later than 12 months from December 31, 2022.

Included within loans to related parties above are balances receivable from the Company's ultimate parent company Optima Bidco (Jersey) Limited for £47,777,000 (2021: £42,539,000) and balances receivable from Clear Sky LP and Clear Sky 2 LP of £9,793,000 (2021: £6,445,000) and £20,285,000 (2021: £13,157,000) respectively. Clear Sky LP is a partnership in which the controlling parties are also Directors of the Company. Purchases from Clear Sky LP in the year are for the provision of commercial air transport for the Group. Clear Sky 2 LP is a partnership in which the controlling parties are also Directors of the Group. Purchases from Clear Sky 2 LP in the year are for the provision of commercial air transport for the Group. The receivables are unsecured in nature, and unless otherwise stated, bear no interest. Except in relation to the amounts owed by Clear Sky LP and Clear Sky 2 LP, no guarantees have been given or received on related party balances. Provisions have been made for expected credit losses in respect of the amounts owed by Clear Sky LP of £69,000 (2021: £41,000) and, Clear Sky 2 LP of £143,000 (2021: £83,000) and Optima Bidco Jersey Limited of £338,000 (2021: £269,000). The Directors consider the expected credit losses are insignificant with reference to the estimation of the amount and timing of future cash flows and underlying asset values of respective related parties. In the year the Company surrendered of tax losses totalling £67,946,000 to Optima Bidco (Jersey) Limited, a related party, for a total consideration of £12,910,000.

Expected credit losses totalling £33,971,000 (2021: £24,593,000) are included in the balance of non-current loan and other receivables.

13. Debt financial asset

	2022 £000	2021 £000
Debt financial asset	-	178,456

On January 13, 2022, the Company received a full repayment in relation to the debt financial asset that it purchased on February 8, 2021 for £165m. The total amount received was £178m which included accrued interest of £13m.

14. Current assets: Loan and other receivables

	2022 £000	2021 £000
Amounts owed by subsidiary undertakings	**222,778**	201,137
Other taxes	**1,350**	1,676
Prepayments	**2,064**	306
Loans to related parties	-	1,914
Other debtors	**2**	23
	226,194	**205,056**

Expected credit losses totaling £1,995,000 (2021: £1,093,000) are included in the balance of current loan and other receivables.

Amounts receivable from group undertakings carry interest 3.5% (2021: 3.5%) above 1 month EURIBOR in case of EUR balances, 3.5% (2021: 3.5%) above 1 month US LIBOR for short term USD debt and 3.5% (2021: 3.5%) above 1 month LIBOR in case of GBP balances. Balances are repayable on demand.

15. Trade and other payables

	2022 £000	2021 £000
Trade payables	**18**	-
Amounts due to parent undertakings	**1,071**	1,071
Amounts due to fellow subsidiary undertakings	**424,802**	1,005,875
Accrued expenses	**29,810**	25,880
Social security and other taxes	**762**	551
Derivative financial instruments	**11,349**	3,145
Included in payables: amounts falling due within one year	**467,812**	1,036,522

Amounts owed to group undertakings are repayable on demand and carry interest at 3.5% (2021: 3.5%) above 1 month EURIBOR in case of EUR balances, 3.5% (2021: 3.5%) above 1 month LIBOR in case of GBP balances and a range of 3.5%-4.0% (2021: 3.5%-4.0%) above 1 month US LIBOR in the case of USD balances. The amount owed to parent undertakings (Note 21) is a balance owed to the Company's intermediate parent company, EG Group Holdings Limited.

16. Other payables

	2022 £000	2021 £000
Amounts due to subsidiary undertakings	**2,933,544**	2,613,202
Included in payables: amounts falling due after more than one year	**2,933,544**	2,613,202

Amounts due to subsidiary undertakings carry interest at a fixed rate of 7.35% and 8.85% (2021: 7.35% and 8.85%) in the case of USD balances, 4.98%, 4.5%, 5.0%, 4.23% 3.5% and 6.85% (2021: 4.98%, 4.5%, 5.0%, 4.23%, 3.5% and 6.85%) in the case of EUR denominated balances repayable in 2024 and 2025.

17. Borrowings

	2022 £000	2021 £000
Secured borrowing		
Bank loans	**3,196,867**	2,814,539
Total borrowings	**3,196,867**	2,814,539
Amount due for settlement within 12 months:		
Bank loans	**235,443**	22,150
Amount due for settlement after 12 months:		
Bank loans	**2,961,424**	2,792,389
Amount due for settlement after 5 years	**-**	512,571

The borrowings of the Company are dependent on compliance with debt covenants measured on the performance of the Group. Leverage is calculated as the Group's net debt before lease liabilities, adjusted for certain items set out in the covenant agreement (predominantly unamortised debt costs), divided by the Group's pro forma Adjusted EBITDA before IFRS 16 as defined on page 164 of the EG Group Limited annual report to the year-end 31 December 2022.

Covenant Leverage is calculated as Group Senior net debt (i.e. Group's net debt excluding second lien facilities) before lease liabilities adjusted for certain items set out in the covenant agreement (predominantly unamortised debt costs and accrued interest), divided by the Group's pro forma Adjusted EBITDA before IFRS 16 as defined on page 164 of the EG Group Limited Annual report to the year-end 31 December 2022.

From January 1, 2022, the Company transitioned its variable rate borrowings from LIBOR to SONIA.

At December 31, 2022 the Company has the below term loans:

a. a Facility B GBP loan of £400m. The loan was agreed on February 6, 2018. Repayments totalling 1% per annum of the initial drawdown are made quarterly, with the balance repayable on maturity in 2025. The loan carries interest at 4.75% above SONIA and is secured on the assets of the Group and guaranteed by certain entities of the Group.

b. A facility B EUR loan of €2,160m. The loan was agreed on February 6, 2018. Repayments totalling 1% per annum of the initial drawdown are made quarterly, with the balance repayable on maturity in 2025. The loan carries interest at 4.0% above EURIBOR and is secured on the assets of the Group and guaranteed by certain entities of the Group.

c. A second lien EUR loan of €610m. The loan was agreed on March 12, 2021, repayable on maturity in 2027. The loan carries interest at 7% above EURIBOR and is secured on the assetsof the Group and guaranteed by certain entities of the Group.

d. A term GBP loan of £220m was agreed on November 16, 2021, repayable upon maturity in 2025. The loan carries interest at 4.75% above SONIA and is secured on the assets of the Group and guaranteed by certain entities.

17. Borrowings (continued)

The other principal features of the Company's borrowings are as follows:

(i) The Group has GBP revolving credit facilities available for £179m (for utilisation in GBP, EUR, US$ or A$) (2021: £250m) and US$ revolving credit facilities available for US$93m and US$85m (2021: US$150m and US$100m); the maturity of the revolving credit facility is August 2024. These carry an interest rate of SONIA/LIBOR/EURIBOR/BBSY +3% (2021: +3%) depending on the currency drawn down and are secured on the Group's assets. A commitment fee is payable quarterly in arrears on the aggregate undrawn at a rate of 1.05% of the applicable margin for the revolving credit facility.

18. Share capital

	No. of shares	£000
Authorised, issued and fully paid ordinary shares of £1 each:		
At January 1, 2021, December 31, 2021 and December 31, 2022	2,011	2

The Company has one class of ordinary shares which carry no right to fixed income.

19. Share premium account

	£000
At January 1, 2021, December 31, 2021 and December 31, 2022	**313,229**

20. Events after the balance sheet date

On January 5, 2023, the Company entered into a new loan agreement with Euro Garages Limited, an indirect subsidiary of the Company. Under the loan agreement, the Company will provide Euro Garages Limited with a loan in the amount of £368,808,053, the loan matures on January 4, 2028.

On January 23, 2023, the Company issued 2 new shares to its parent, EG Group Limited, in consideration for the issue of a new loan for the value of £3,026,592,000. On January 24, 2023, the Company then completed a share capital reduction to reduce the new share premium balance of £3,339,821,000 to £nil which created additional retained earnings. On January 25, 2023, the Company declared an interim dividend for the year ended December 31, 2023 to its parent entity for the value of £3,026,592,000. To settle the obligation created by the declaration of this dividend, the Company transferred loan receivables for the value of £3,026,592,000 due from fellow subsidiary undertaking to EG Group Limited.

On February 13, 2023, the Company entered into a new loan agreement with EG America, LLC, a fellow subsidiary of within the Group. Under the loan agreement EG America, LLC will provide the Company with a loan in the amount of $120,000,000, the loan matures on February 13, 2024. On April 26, 2023, an addendum to the loan was entered into which resulted the loan increasing to $245,000,000.

On May 16, 2023 the Group completed the sale and leaseback of a portfolio of US assets for gross consideration of $1.5 bn. The proceeds will be used to part repay the Group's external debt, including the external debt held by the Company.

On May 17, 2023, the Company entered into a new loan agreement with Cumberland Farms, Inc, a fellow subsidiary of within the Group. Under the loan agreement Cumberland Farms will provide the Company with a loan in the amount of $393,966,000, the loan matures on May 17, 2024.

On May 17, 2023, the Company entered into a new loan agreement with EG Dutch Finco BV, a direct subsidiary of the Company. Under the loan agreement EG Dutch Finco BV will provide the Company with a loan in the amount of $733,670,000, the loan matures on July 16, 2023.

EG Finco Limited

Notes to the financial statements (continued)
For the year ended December 31, 2022

20. Events after the balance sheet date (continued)

On May 30, 2023, the Group announced that it had agreed to sell the majority of its UK fuel, foodservice and grocery and merchandise business to Asda for a headline consideration of £2.27bn. Euro Garages (Jersey) Limited, a direct subsidiary of the Company and its subsidiaries will be sold as part of this transactions. On October 31, 2023, the Group completed this sale to Asda, however, following further commercial discussions and finalisation of the deal perimeter, the parties have agreed that the KFC and Starbucks Foodservice operations will remain with EG Group, and this is reflected within the cash consideration of £2.00bn. The proceeds were used to repay the Group's external debt, including the external debt held by the Company.

On June 26, 2023, the Company entered into an agreement with other companies within the Group to simplify the loan structure within the business. Due to this agreement, amounts due to fellow subsidiary undertakings and amounts owed by subsidiary undertakings have reduced by €39m.

On June 29, 2023 the Group announced the successful allocation of the Amend and Extend ("A&E") of its terms loans. Of the Group's existing c. \$6.1bn term loan facilities, c. \$2.9bn will be repaid through the proceeds received from the sale and leaseback transaction in the USA and the disposal of the majority of the UK&I business. The remaining c.\$3.2bn of multi-currency term loans will be extended out to February 2028.

The exercise involved two key steps exercised consecutively:

Step one involved the redenomination of the Group's existing pound sterling ("GBP") and Australian dollar terms loans into Euro and US dollar term loans and some Euro term loans into US dollar term loans, The redenomination was executed on June 30, 2023. The below table summarises the impact on the Company's borrowings by currency before and after the redenomination. The amounts are presented in the loan currency.

	Prior to redenomination ('000's)	Post redenomination ('000's)
GBP term loan	599,000	311,777
Euro term loans	2,073,108	2,431,137

Step two involved the splitting of the redenominated term loans into three tranches with differing economic terms for each tranche. This exercise was executed on June 30, 2023. Summarised below are the relevant terms attributed to each tranche of term loans:

- Tranche A represents amounts payable to non-consenting lenders to the amend and extend proposal and which will continue to remain under existing terms and conditions;

- Tranche B represents amounts that have been agreed to be repaid by the Group using proceeds from the sale of the majority of the UK and Ireland business of the Group to Asda and through the execution of the sale and leaseback transaction in the USA. Until such time that Tranche B amounts are repaid, these continue to attract interest at existing rates. Under the refinancing terms, Tranche B amounts are to be repaid no later than December 31, 2023;

- Tranche C represents amounts that are subject to A&E programme. Any amounts in Tranche C will attract new economic terms from June 30, 2023 onwards, including a ticking fee which increased the margin applicable to Tranche A amounts and transactions fees, until the completion of UK&I transaction. It should be noted that should the UK&I transaction not complete, any amounts in Tranches B and C will be converted back into Tranche A i.e., they will revert to the previous terms and conditions; and

- Tranche D: Represents new money raised in excess of current exposures under revised economic terms and revised maturities, being Feb 2028. At the end of the process only one tranche (Tranche D) per currency, being US\$, Euros, GBP and AUD, will exist at revised terms. There are non-tranche D borrowings currently drawn by the Company.

20. Events after the balance sheet date (continued)

The table below summarises the outstanding balances by tranche of term loans.

	Sterling (£'000)	Euro (€'000)
Tranche A	263,749	666,464
Tranche B	5,947	591,042
Tranche C	42,081	1,173,631
Total	**311,777**	**2,431,137**

As part of the financing process, the Group has also secured an extension to the maturity date of the majority of the Company's RCF and LC facilities to 2027.

On 3 July 2023, the Company refinanced intercompany loans with certain Group entities, effective from 1 January 2023, increasing the interest rate payable to the related entity.

On July 14, 2023, the Company made the following repayments to its secured borrowings. The repayments were made possible by the completion of the sale and leaseback of a portfolio of US assets of the Group for gross consideration of $1.5bn, undertaken by the Group on May 16, 2023:

- Tranche A GBP loan of £43,749k, the amount repaid was £3,319k, this amount included interest accrued to the date of repayment;
- Tranche B GBP loan of £5,947k, the amount repaid was £3,643k, this amount included interest accrued to the date of repayment;
- Tranche A Euro loan of €666,464k, the amount repaid was €50,513k, this amount included interest accrued to the date of repayment;
- Tranche B Euro loan of €591,042m, the amount repaid was €133,749k, this amount included interest accrued to the date of repayment;
- GBP loan of £220,000k, the amount repaid was £16,697k.

On July 14, 2023, the Company also settled amounts due to group undertakings totalling €407m and $107m. The repayments were made possible by the completion of the sale and leaseback of a portfolio of US assets of the Group for gross consideration of $1.5bn, undertaken by the Group on May 16, 2023.

On 30 October 2023, EG Finco Limited received a number of distributions from its direct subsidiary, Euro Garages Jersey Limited. These distributions included the investments in CS Food Group Holdings Limited, Scotco ROI Limited, Scotco NI Limited, Scotco Restaurants (Jersey) Limited, JRC Holdings and Scotco Central Limited. As a result of this, these companies are now direct subsidiaries of the Company. Furthermore, the distributions included receivable balances totalling £26,754k from Scotco Central Limited and Clokken Limited (indirect subsidiary incorporated on 17 October 2023).

On October 31, 2023, the Group announced the launch of up to a $500m Term Loan B add-on to existing term loans due February 2028. Proceeds from the Transaction will be used to partially refinance the remaining 2025 maturities. The expected terms will be in line with the term loans which were successfully priced and allocated in the Amend and Extend exercise in June 29, 2023.

On 10 November, 2023, the Company made the further repayments to its secured borrowings. The repayments were made possible by the completion of the aforementioned UK disposal on 31 October 2023 for gross consideration of £2bn. The loan values are based on the outstanding amounts post retranching:

- Tranche A GBP loan of £43,749k, the amount repaid was £13,229k, this amount included interest accrued to the date of repayment;
- Tranche B GBP loan of £5,947k, the amount repaid was £2,309k, this amount included interest accrued to the date of repayment;
- Tranche A Euro loan of €666,464k, the amount repaid was €350,174k, this amount included interest accrued to the date of repayment;
- Tranche B Euro loan of €591,042m, the amount repaid was €457,198k, this amount included interest accrued to the date of repayment; and
- GBP loan of £220,000k, the amount repaid was £204,025k, this amount included interest accrued to the date of

repayment.

21. Controlling party

In the opinion of the Directors, the Company's ultimate parent company and ultimate controlling party is Optima Bidco (Jersey) Limited, a company registered in Jersey Channel Islands.

The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is EG Group Holdings Limited, a company incorporated in Great Britain, registered at Waterside Head Office, Haslingden Road, Blackburn, BB1 2FA, United Kingdom.

The parent undertaking of the smallest such group is EG Group Limited, a company incorporated in Great Britain, registered at Waterside Head Office, Haslingden Road, Blackburn, BB1 2FA, United Kingdom.

Copies of the group financial statements of EG Group Holdings Limited and EG Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The Company's immediate controlling party is EG Group Limited.

22. Revenue

Revenue represents royalty income from fellow Group companies as the Company makes available the intellectual property. During the current year, the Company has recognised an amount of £18,013,000 (2021: £16,406,000) in respect of the year ended December 31, 2022 and has issued credit notes for an amount of £nil (2021: 46,965,000) in respect of prior years.