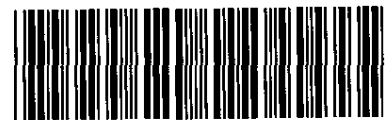




Spring Petroleum Company Limited
REPORT AND FINANCIAL STATEMENTS
9 month period to 31 December 2018

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Company 04342974

Company information

DIRECTORS	W Bannister T Biggart J Clarke S Lane
COMPANY SECRETARY	Pinsent Masons Secretarial Limited
COMPANY NUMBER	04342974
REGISTERED OFFICE	Gladstone Place 36 – 38 Upper Marlborough Road St Albans Hertfordshire United Kingdom AL1 3UU

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Strategic Report

The Directors present their Strategic Report for Spring Petroleum Company Limited, together with the Company financial statements for the 9 month period ended 31 December 2018.

Principal activities

The principal activity of the Company for the majority of the period was that of a property holding company.

Business review

The Company was acquired by CD&R Firefly Bidco Limited as part of a wider acquisition of the MRH Group by the Motor Fuel Group (**MFG**) in June 2018. Upon that transaction substantially all of the trade of the Company was transferred to Motor Fuel Limited, the principal MFG operating company.

Strategy

Following the transaction in June and the subsequent transfer of the trade to Motor Fuel Limited the Company's principal purpose going forward is as a property holding company supporting the trading operations of Motor Fuel Limited. The wider MFG strategy is to develop the business into the most dynamic and profitable independent forecourt operator in the UK. Service stations operate primarily through a commission operator scheme which provides an attractive, competitive and expanding forecourt shop offer. MFG aims to provide customers with good quality, competitively priced fuels together with a convenient and competitive shopping and food service experience.

Strategic Report *(continued)*

Results and performance

Following the acquisition by MFG, the Company has aligned its accounting policies and as such no longer revalues land and buildings. The carrying values of all properties have been revised to eliminate the revaluations recorded in all prior periods. The prior period results have been restated to reflect this.

During the period the Company reported turnover of £13.8m (Year ended 1 April 2018: £114.5m) and operating profit of £643,000 (Year ended 1 April 2018: £220,000). The Company made a profit for the period after taxation of £227,000 (Year ended 1 April 2018: loss of £282,000). The Directors have not recommended a dividend (Year ended 1 April 2018: £nil) leaving the retained profit to be transferred to reserves.

At 31 December 2018 the Company had net assets of £13.6m (1 April 2018: £13.3m, as restated) and net current liabilities of £406,000 (1 April 2018: net current assets of £815,000).

Key performance indicators

MFG uses a number of key performance indicators to manage the business. Fuel trading is evaluated on a site by site basis by reference to volumes, gross profit and inventory days, as well as by the number of operational sites. Performance is also measured by brand and by original investment. Retail sales are monitored by product type across the different branded sites, whilst product availability and delivery metrics are also measured. The 'Food to Go' business is also measured by both average and total sales by brand and by site.

Additionally the number of sites redeveloped and extended, along with the new 'Food to Go' outlet roll out, are also key non financial performance indicators.

MFG is also focussed on all aspects of HSE and various metrics are used to measure performance and to identify any issues.

Strategic Report *(continued)*

Principal risks and uncertainties

The responsibility for risk management and the internal control environment resides with the Board of Directors and the senior management team implements and maintains the control systems adopted by the Board.

MFG's policy on risk management is to reduce risk where practical and appropriate without unduly hindering growth. The risks detailed below are seen to be the principal risks affecting the Company and MFG, they do not include all of the potential risks and the list is not in any order of priority.

Market conditions

MFG operates in a price sensitive market and the outlook of the UK and world economy and customer confidence may impact on MFG's ability to deliver growth. The Directors and senior management constantly review performance and revisit strategy accordingly to ensure that the management team is always focused on the key priorities to minimise this risk.

The Directors have assessed the implications of the United Kingdom leaving the European Union and are comfortable that this is unlikely to have a material impact on the business.

Competitor risk

The industry MFG operates in is highly competitive as customers become more price focussed and more demanding of the offer provided at the forecourt. Management constantly monitor the network to ensure the quality of the offering meets the high expectations of MFG.

Commercial relationships

MFG benefits from close commercial relationships with a number of key suppliers. Damage to or loss of any of these relationships could have a direct effect on the Company's results which may be material. To manage this risk, MFG performs regular supplier reviews.

Credit Risk

The majority of sales are by cash or credit card and credit risk is therefore limited to those sales which are not by cash or credit card. For such sales, MFG regularly monitors the creditworthiness of counterparties and insures certain debts where appropriate.

Strategic Report *(continued)*

Principal risks and uncertainties *(continued)*

Liquidity risk

MFG is consistently cash generative and uses a mixture of cash balances, long-term and short-term debt finance in order to maintain liquidity, ensuring that there are sufficient funds available for on-going operations and future developments. MFG's policy has been to ensure continuity of funding. Short-term flexibility is achieved by overdraft facilities.

Capital risk management

The Company is funded by equity and through loans from parent group undertakings. The components of shareholders' equity are:

- Share Capital
- Share premium account
- Retained Earnings

The objective when managing capital is to maintain adequate financial flexibility to preserve the ability to meet financial obligations, both current and long term. The capital structure is managed and adjusted to reflect changes in economic conditions. Commitments are funded from existing cash and cash equivalent balances, primarily arising from equity sources.

Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet commitments and development plans.

Future developments

The Company's principal purpose is as a property holding company supporting the trading operations of Motor Fuel Limited.

Environmental impact

MFG is committed to ensuring that the environmental consequences of its operations are minimised. The Company, as far as practical, pursues the following objectives:

- Reduction in consumption of raw materials and energy
- Reduction in emission of harmful products to the atmosphere
- Recycling of waste where possible.

Strategic Report *(continued)*


Community

MFG conducts its business in an ethically aware manner so as not to detrimentally affect the quality of life enjoyed by the communities in which it operates.

MFG strives to:

- Respond quickly to issues or concerns raised by neighbours pertaining to the business.
- Engage with communities and support relevant and appropriate activities both at local and national level.
- Abide by local planning and other by-laws prevalent where the sites are based.
- Support community activity through actions and sponsorship as and where appropriate.
- Maintain properties, land and boundaries in such a condition so as not to degrade the visual amenities of the neighbours or affect or endanger the surrounding communities.

Approved by the Board and signed on its behalf by:



S Lane (Director)

Date: 24 October 2019

Directors' Report

The Directors present their annual report and audited financial statements for the period ended 31 December 2018.

Results for the period, dividends paid, financial risk management and future developments of the Company can be found in the Strategic Report on pages 3 to 7.

Directors

The directors of the Company who were in office during the financial period and up to the date of signing the financial statements were:

- K J Dickens (resigned 22 June 2018)
- S J Back (resigned 15 October 2018)
- W Bannister (appointed 29 November 2018)
- J Clarke (appointed 29 November 2018)
- S Lane (appointed 29 November 2018)
- T Biggart (appointed 11 March 2019)
- G Timbers (appointed 12 October 2018, resigned 12 February 2019)

Key Management Personnel

The following individuals were the key management personnel of the Company and MFG during the period since 29 November 2018:

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

Prior to that date, until 22 June 2018, the Company was managed by K J Dickens, and thereafter by G Timbers.

Directors' Report *(continued)*

Statement of directors' responsibilities in respect of the financial statements

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

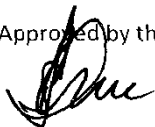
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial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

- a) select suitable accounting policies and then apply them consistently;
- b) state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- c) make judgements and accounting estimates that are reasonable and prudent; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board and signed on its behalf by:



S Lane (Director)

Date: **24** October 2019

Profit and loss account
for the period ended 31 December 2018

	Note	9 months ended 31 December 2018 £000	Year ended 1 April 2018 £000 restated
Turnover	5	13,768	114,517
Cost of sales		<u>(12,868)</u>	<u>(106,512)</u>
Gross profit		900	8,005
Administrative expenses		(1,684)	(8,202)
Exceptional operating expenses	6	(136)	(452)
Other operating income		<u>1,563</u>	<u>869</u>
Operating profit	6	643	220
Interest payable and similar expenses	8	<u>(196)</u>	-
Profit before taxation		447	220
Tax on profit	9	<u>(220)</u>	<u>(502)</u>
Profit / (loss) for the financial period / year		<u>227</u>	<u>(282)</u>

Statement of comprehensive income
 For the period ended 31 December 2018

	9 months ended 31 December 2018 £000	Year ended 1 April 2018 £000 restated
Profit / (loss) for the financial period / year	227	(282)
Other comprehensive income	-	-
Total comprehensive income / (expense) for the period / year	227	(282)

Balance sheet

As at 31 December 2018

	Note	31 December 2018 £000	1 April 2018 £000 restated
Fixed assets			
Tangible assets	10	22,967	22,515
		22,967	22,515
Current assets			
Inventories	11	-	2,380
Debtors	12	141	1,359
Cash at bank and in hand		149	5,770
		290	9,509
Creditors: amounts falling due within one year	13	(696)	(8,694)
Net current (liabilities) / assets		(406)	815
Total assets less current liabilities		22,561	23,330
Creditors: amounts falling after more than one year	14	(6,675)	(7,719)
Provision for other liabilities	15	(2,332)	(2,284)
Net assets		13,554	13,327
Capital and reserves			
Called up share capital	16	-	-
Share premium account		2,225	2,225
Retained earnings		11,329	11,102
Total equity		13,554	13,327

The notes on pages 14 to 29 are an integral part of these financial statements.

The financial statements on pages 10 to 29 were authorised for issue by the board of directors on 24 October 2019 and were signed on its behalf by



S Lane
Director

Statement of changes in equity
as at 31 December 2018

	Called-up share capital	Share premium account	Retained earnings	Total equity
	£000	£000	£000	£000
Balance as at 2 April 2017	-	2,225	11,384	13,609
Profit for the year	-	-	(282)	(282)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(282)	(282)
Balance as at 1 April 2018	-	2,225	11,102	13,327
Profit for the period	-	-	227	227
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	227	227
Balance as at 31 December 2018	-	2,225	11,329	13,554

Notes to the financial statements

1 General information

Spring Petroleum Company Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England.

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

Prior to the acquisition by MFG, the principal activity of the Company was that of retail sale of automotive fuel in specialised stores and service stations. Subsequent to the transfer of its trade to a fellow subsidiary the Company's principal activity is the ownership of service stations.

2 Statement of compliance

The financial statements of Spring Petroleum Company Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS102') and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented. Accounting policies have changed in the period, the impact of this is detailed in note 19.

3.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*),/

3.1 Basis of preparation (*continued*)

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

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

3.2 Reporting period

The reporting period has changed to a 9 month period (prior period: year ended 1 April 2018) following the acquisition by MFG. This is to align the Company's year end with MFG's year end. As a result the prior year figures are not directly comparable.

3.3 Going concern

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

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

3.4 Currencies

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

3.5 Tangible assets

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

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.5 *Tangible assets (continued)*

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

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

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

3.6 *Revaluation of land and buildings*

The Company's policy is not to revalue land and buildings.

There has been a change in accounting policy in the year as a result of the acquisition of Spring Petroleum Company Limited by MFG, in order for the Company to align its accounting policies with those of MFG. Previously, land and buildings were revalued. See Note 19 for the impact of the change in accounting policy.

Notes to the financial statements *(continued)*

3 Summary of significant accounting policies *(continued)*

3.7 Impairment of non-current assets

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

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

3.8 Revenue and income recognition

Until the acquisition by MFG in June 2018, revenue for the Company arose principally from fuels retailing. Following the transfer of this trade to a fellow subsidiary within MFG, the Company's principal activity has been the ownership of service stations.

Revenue is measured at the fair value of the consideration received or receivable and, prior to the transfer of trade, primarily represented amounts receivable for fuel supplied, stated net of discounts and value added tax; subsequent to that transfer revenue represents rental income. The Company recognises revenue when (a) it can be reliably measured, (b) it is probable that future economic benefits will flow to the Company and (c) when specific criteria have been met for each of the Company's activities. Any amounts not invoiced at the year-end are accrued in line with accounting policies.

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

3.9 Cost of sales

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

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.10 Current and deferred tax

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

a) Current tax

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

b) Deferred tax

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

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

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

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

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

3.11 Operating leases

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

3.12 Dividends payable

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

3.13 Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables, loans to fellow group companies, cash and bank balances are recognised initially at transaction price. Appropriate provisions for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the assets are impaired. Such assets are subsequently carried at amortised cost using the effective interest method. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

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

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction. They are subsequently measured at amortised cost using the effective interest method.

3.14 Share capital

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

3.15 Fair value estimation - receivables and payables

The carrying values of trade receivables and payables are assumed to approximate their fair values because the short-term nature of such assets renders the impact of discounting to be negligible.

3.16 Inventories

Inventories are measured at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Net realisable value is based on estimated selling price less further costs to completion and disposal.

3.17 Exceptional items

The Company classifies certain one-off charges or credits that have a material or significant impact on the Company's financial results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the Company.

4 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes to the financial statements (continued)

4 Critical accounting estimates and judgements (continued)

4.1 Environmental provision

Provision is made for environmental costs in respect of estimated investigation and remediation costs of freehold properties. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

4.2 Depreciation

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Company's accounting policy. The selection of these estimated useful lives requires the exercise of management judgement. Useful lives are regularly reviewed, and should management's assessment of useful lives shorten, the depreciation charge in the financial statements would increase and carrying amounts of tangible assets would reduce accordingly.

5 Turnover

All turnover arose within the United Kingdom and is derived solely from the Company's principal activities.

6 Operating profit

Operating profit is stated after charging:

	9 months ended 31 December 2018 £000	Year ended 1 April 2018 £000 restated
Operating lease costs:		
- Land and buildings	10	10
- Plant and machinery	46	69
Depreciation of owned property, plant and equipment - Note 12	743	1,182
Cost of stocks recognised as an expense	12,868	106,512
Exceptional costs – site closure and clean-up costs	136	452

Notes to the financial statements (*continued*)

7 Employees and directors

Staff costs, were as follows:

	Period ended 31 December 2018 £000	Year ended 1 April 2018 £000
Wages and salaries	468	3,124
Social security costs	29	175
Other pension costs	2	15
	499	3,314

The average monthly number of employees during the period was as follows:

	Period ended 31 December 2018 No.	Year ended 1 April 2018 No.
Administration	1	1
Sales	22	268
	23	269

The Company ceased to have employees from June 2018, when all staff contracts were transferred to contract operators. All key management personnel and Directors are remunerated within a fellow group company, with no recharge made to the Company.

8 Finance costs

	9 months ended 31 December 2018 £000	Year ended 1 April 2018 £000
<i>Interest payable and similar expenses</i>		
Interest payable on loans from related parties	(196)	-
Total interest payable and similar expenses	(196)	-

Notes to the financial statements (continued)

8 Finance costs (continued)

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

9 Tax on profit

	9 months ended 31 December 2018 £000	Year ended 1 April 2018 £000
9.1 Income tax expense		
<i>Current tax</i>		
- UK Corporation tax on profits for the period	168	458
- Adjustment in respect of prior periods	4	(1)
Total current tax	172	457
<i>Deferred tax</i>		
- Origination and reversal of timing differences	46	44
- Adjustment in respect of prior periods	2	1
Total deferred tax	48	45
Tax on profit	220	502

Notes to the financial statements (*continued*)

9 Tax on loss (continued)

9.2 Reconciliation of tax charge

Tax assessed for the period is higher (Year ended 1 April 2018: higher) than the standard rate of corporation tax in the UK for the period ended 31 December 2018 of 19.0% (Year ended 1 April 2018: 19.0%). The difference is explained below:

	9 months ended 31 December 2018 £000	Year ended 1 April 2018 £000
Profit before tax	447	220
Tax charge at the UK corporate tax rate of 19.0% (year ended 1 April 2018: 19.0%)	85	42
Effects of:		
- Non-deductible expenditure	-	253
- Adjustments in respect of previous periods – corporation tax	4	(1)
- Adjustments in respect of previous periods – deferred tax	2	1
- Fixed asset timing differences	134	212
- Remeasurement of deferred tax – change in UK tax rate	(5)	(5)
Total tax charge for the year	220	502

Tax rate changes

The UK corporation tax rate will reduce to 17.0% from 1 April 2020 and as this was enacted at the balance sheet date deferred tax has been calculated at 17.0%.

Notes to the financial statements (*continued*)

10 Tangible assets

	Freehold property £000 restated	Leasehold property £000 restated	Plant and machinery £000	Total £000 restated
Cost				
As at 2 April 2018	22,839	112	4,320	27,271
Additions in the period	634	-	561	1,195
As at 31 December 2018	23,473	112	4,881	28,466
Accumulated depreciation				
As at 2 April 2018	2,165	51	2,540	4,756
Charge for the period	592	19	132	743
As at 31 December 2018	2,757	70	2,672	5,499
Carrying amount				
As at 2 April 2018	20,674	61	1,780	22,515
As at 31 December 2018	20,716	42	2,209	22,967

In previous periods, Company policy was to revalue land and buildings. Upon acquisition by MFG, the Company has aligned its accounting policies with MFG such that land and buildings are now held at cost, net of depreciation.

The carrying value of land and buildings brought forward has been revised to eliminate all of the revaluations recorded in prior periods, resulting in an overall reduction of £20.7m as compared with the amount previously reported as at 1 April 2018.

Assets previously classified as investment property have been reclassified as tangible assets.

Notes to the financial statements (*continued*)

11 Inventories

	31 December	1 April
	2018	2018
	£000	£000
Finished goods - fuel	-	2,380

There is no material difference between the replacement cost of inventories and the amounts stated above. Inventories expensed are shown within cost of sales. All inventories are carried at the lower of cost and net realisable value. No inventories were provided against in the year (year ended 1 April 2018: none).

12 Debtors

	31 December	1 April
	2018	2018
	£000	£000
Trade debtors	52	971
Other taxation and social security	40	-
Prepayments and accrued income	49	388
	141	1,359

Amounts owed by group undertakings are interest free, repayable on demand with no fixed repayment date and unsecured.

13 Creditors: amounts falling due within one year

	31 December	1 April
	2018	2018
	£000	£000
Trade creditors	293	6,854
Amounts owed to group undertakings	196	-
Corporation tax payable	112	207
Other taxation and social security	-	342
Accruals and deferred income	95	1,291
	696	8,694

Notes to the financial statements (*continued*)

13 Creditors: amounts falling due within one year (*continued*)

Amounts due to group undertakings are repayable on demand with no fixed repayment date and unsecured. Interest is allocated across the group in proportion to the reliance on group debt in each entity.

14 Creditors: amounts falling due after more than one year

	31 December 2018 £000	1 April 2018 £000
Amounts owed to group undertakings	6,675	7,719

15 Provision for other liabilities

	Environmental provision £000	Deferred tax liability £000 restated	2018 £000 restated
As at 2 April 2018	2,200	84	2,284
Charged to profit and loss account in the period (note 10)	-	48	48
As at 31 December 2018	2,200	132	2,332

The provision for environmental costs is in respect of estimated investigation and remediation costs of freehold and leasehold property.

The deferred taxation is made up as follows:

	31 December 2018 £000	1 April 2018 £000
Accelerated capital allowances	130	90
Other timing differences	2	(6)
	132	84

Notes to the financial statements (*continued*)

16 Called up Share Capital

Ordinary shares of £1.00 each		
Allotted and fully paid	No.	£000
At 2 April 2018 and 31 December 2018	368	-

17 Capital and other commitments

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

	31 December	1 April
	2018	2018
	£000	£000
Operating leases which expire:		
Within one year	36	72
In one to five years	38	48
Later than five years	880	890
	954	1,010

18 Ultimate controlling party

The immediate parent undertaking is Zain Investments Limited, registered in Jersey.

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

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

Notes to the financial statements (continued)

19 Change in accounting policy

Following the acquisition of the Company by MFG, the Company has aligned its accounting policies with those of MFG and as such no longer revalues land and buildings. The carrying values of all properties have been revised to eliminate the revaluations recorded in all prior periods. The impact of this is shown as transition adjustments 1, 2 and 3 below.

Reconciliation of total shareholders' funds at 1 April 2017	£000
Total shareholders' funds at 1 April 2017	30,070
Transition adjustment 1	(16,461)
Restated shareholders' funds at 1 April 2017	13,609

Reconciliation of total shareholders' funds at 1 April 2018	£000
Total shareholders' funds at 1 April 2018 as previously reported	30,819
Transition adjustment 2	(17,492)
Restated shareholders' funds at 1 April 2018	13,327

Reconciliation of total comprehensive income for the period ended 1 April 2018	£000
Total comprehensive income for the period as previously reported	749
Transition adjustment 3	(1,031)
Restated total comprehensive income for the period ended 1 April 2018	(282)

¹This is the removal of the land and buildings revaluations carried out in previous periods up to and including the year ended 1 April 2017

²This is the removal of the land and buildings revaluations carried out in previous periods up to and including the year ended 1 April 2018

³This is the removal of the effect of the land and buildings revaluation for the year ended 1 April 2018 revaluation from total comprehensive income