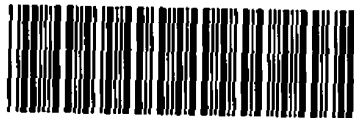




Company registration number NI020579 (Northern Ireland)

MORGAN FUEL & LUBES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THURSDAY



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COMPANIES HOUSE

MORGAN FUEL & LUBES LIMITED

COMPANY INFORMATION

Director	Mr Hugh Morgan
Company number	NI020579
Registered office	254 Dublin Road Killeen Newry Co. Down Northern Ireland BT35 8RL
Auditor	FPM Accountants Limited Dromalane Mill The Quays Newry Co. Down Northern Ireland BT35 8QS
Bankers	Bank of Ireland 12 Trevor Hill Newry Co. Down Northern Ireland BT34 1DT Bank of Ireland 78/81 Clanbrassil Street Dundalk Co. Louth
Solicitors	Fisher Mullan Solicitors Limited 8 Trevor Hill Newry Co. Down Northern Ireland BT34 1DN

MORGAN FUEL & LUBES LIMITED

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MORGAN FUEL & LUBES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents the strategic report for the year ended 31 March 2022.

Principal activity and business review

The principal activity of the company during the year was that of fuel sales and distribution and the provision of credit services on the supply of fuel for transport and haulage companies.

The director aims to present a balanced and comprehensive review of the development and performance of the business during the year and its position as at 31 March 2022. This review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties the company faces.

As a fuel card and fuel distribution company, the company deals in oil products in the United Kingdom. The company's main activities are organised into two divisions; Fuel Card Sales, and Domestic/Bulk Deliveries, with approximately 92% (2021 - 82%) of the company's turnover derived from Fuel Card Sales and 8% (2021 - 18%) derived from Domestic/Bulk deliveries.

The total turnover of the company was:

Year ended	Year ended
2022	2021
£95.4M	£61.5M

Sales have increased compared to the previous year. This increase can be attributed to the impact of COVID-19 on demand, and consequently on volume sold, in the prior year, and higher selling prices per litre of products compared to the prior year due to market recovery following the pandemic, and the outbreak of war in Ukraine which impacted trade and supplies. Profit before taxation has increased, although gross profit margin has declined from 3.7% in the prior year to 3.2% in the current year. This margin is being closely monitored going forward. The director is satisfied with the results of the company in the year given the current challenging economic conditions.

The director endeavours to continue to develop the company's fuel distribution network and continually invest in this aspect of the business.

MORGAN FUEL & LUBES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

Although the business environment in which the company operates continues to improve, the fuel card market in Ireland and Europe remains highly competitive and margins continue to be tight. The director is conscious of the current economic climate and the supply of credit in financial markets. The director also acknowledges the continuing challenges of the business environment that the company and its customers might encounter in the incoming period.

The director believes the main risks to be as follows:

Credit Risk

The company requires that appropriate credit checks are carried out on new customers before sales orders are accepted. Provisions for bad debts are made based on historical evidence and any new events which might indicate a reduction in the recoverability of cash flows.

Liquidity Risk

Issues such as fuel price increases and exchange rate movements can impact on the liquidity of the company. The director plans for this by having appropriate facilities available with the company's bank and also entering into forward contracts to hedge exchange risk. Given the industry, the company often operates in a net current liability position which, the director closely monitors to ensure that the company can discharge their liabilities as they fall due.

Ukraine war and inflation


Similar to other companies operating in the United Kingdom, the company faces uncertainty in relation to the effects of the Ukraine war and inflation. The director monitors developments in this area and plans accordingly. The director is doing all he can to ensure fuel pricing is updated to reflect the ever-changing oil prices. Furthermore, the director will continue to monitor costs to ensure inflationary price increases are mitigated where possible.

Financial key performance indicators

The financial key performance indicators used by the company are gross profit margins on sales and the operating profit achieved by the business.

Gross profit margin has decreased from 3.7% in the prior year to 3.2% in the current year. The company made an overall operating profit in the year ended 31 March 2022 of £361,954 (2021: £241,968).

On behalf of the board



Mr Hugh Morgan
Director

25 November 2022

MORGAN FUEL & LUBES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The director presents his annual report and financial statements for the year ended 31 March 2022.

Results and dividends

The results for the year are set out on page 10.

The profit for the year, after taxation, amounted to £149,297 (2021 - £148,434).

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr Hugh Morgan

Mr Michael Morgan

Ms Louise Morgan

(Resigned 11 January 2022)

(Resigned 11 January 2022)

Research and development

The company has continued to invest in research and development activities during the year as part of its strategic development and to enhance the company's position in the market.

Post reporting date events

There have been no post reporting date events which require disclosure.

Future developments

The company is intending on growing market share through a mixture of organic growth and acquisition.

Auditor

The auditor, FPM Accountants Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

MORGAN FUEL & LUBES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director individually has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

These financial statements are prepared on the going concern basis. The director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the director is aware of certain economic uncertainties which may cause doubt on the company's ability to continue as a going concern. These uncertainties include the current war in Ukraine and the volatility of fuel prices globally, and the impact this may have on gross profit and therefore overall profitability of the company. The gross profit margin is a key metric for the company. During the year ended 31 March 2022 gross profit declined from 3.7% to 3.2%. The director is monitoring this metric closely to ensure continued competitiveness and profitability.

The director has considered the company's post year end performance and the general outlook for the future of trading, along with the current debts of the company and other financing available to the company from the existing shareholder. From review of this information, the director has concluded that there are sufficient resources available to meet the company's liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

MORGAN FUEL & LUBES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board



Mr Hugh Morgan
Director

25 November 2022

MORGAN FUEL & LUBES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF MORGAN FUEL & LUBES LIMITED

Opinion

We have audited the financial statements of Morgan Fuel & Lubes Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

MORGAN FUEL & LUBES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF MORGAN FUEL & LUBES LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

MORGAN FUEL & LUBES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF MORGAN FUEL & LUBES LIMITED

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to the company through enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the company – Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

MORGAN FUEL & LUBES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF MORGAN FUEL & LUBES LIMITED

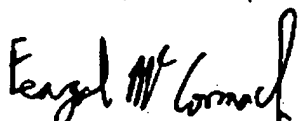
Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of entity staff in accounting and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.



Feargal P. McCormack (Senior Statutory Auditor)

For and on behalf of FPM Accountants Limited

Chartered Accountants

Statutory Auditors

Dromalane Mill

The Quays

Newry

Co. Down

Northern Ireland

BT35 8QS

25 November 2022

MORGAN FUEL & LUBES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	4	95,400,639	61,516,395
Cost of sales		(92,347,693)	(59,229,076)
Gross profit		3,052,946	2,287,319
Administrative expenses		(3,558,961)	(2,917,747)
Other operating income		867,969	872,396
Operating profit	5	361,954	241,968
Interest receivable and similar income		9,874	11,095
Interest payable and similar expenses	8	(167,371)	(119,781)
Profit before taxation		204,457	133,282
Tax on profit	9	(55,160)	15,152
Profit for the financial year		149,297	148,434
Other comprehensive income			
Revaluation of tangible fixed assets		-	385,725
Tax relating to other comprehensive income		(27,930)	(71,676)
Total comprehensive income for the year		121,367	462,483

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

MORGAN FUEL & LUBES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

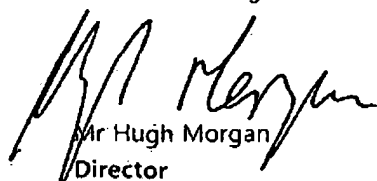
	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	10		2,266		15,866
Tangible assets	11		2,626,264		2,354,070
Investments	12		40,000		-
			<u>2,668,530</u>		<u>2,369,936</u>
Current assets					
Stocks	15	1,293,512		894,058	
Debtors	16	10,721,071		8,429,260	
Cash at bank and in hand		14,010		18,316	
		<u>12,028,593</u>		<u>9,341,634</u>	
Creditors: amounts falling due within one year	17	<u>(12,534,871)</u>		<u>(9,845,593)</u>	
Net current liabilities			<u>(506,278)</u>		<u>(503,959)</u>
Total assets less current liabilities			<u>2,162,252</u>		<u>1,865,977</u>
Creditors: amounts falling due after more than one year	18		(389,421)		(314,181)
Provisions for liabilities					
Deferred tax liability	21	<u>280,928</u>	<u>(280,928)</u>	<u>181,260</u>	<u>(181,260)</u>
Net assets			<u>1,491,903</u>		<u>1,370,536</u>
Capital and reserves					
Called up share capital	24		2		2
Revaluation reserve			389,439		434,339
Profit and loss reserves			<u>1,102,462</u>		<u>936,195</u>
Total equity			<u>1,491,903</u>		<u>1,370,536</u>

MORGAN FUEL & LUBES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 25 November 2022 and are signed on its behalf by:



Mr Hugh Morgan
Director

Company Registration No. NI020579

MORGAN FUEL & LUBES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2020	2	128,775	779,276	908,053
Year ended 31 March 2021:				
Profit for the year	-	-	148,434	148,434
Other comprehensive income:				
Revaluation of tangible fixed assets	-	385,725	-	385,725
Tax relating to other comprehensive income	-	(71,676)	-	(71,676)
Total comprehensive income for the year	-	314,049	148,434	462,483
Transfers	-	(8,485)	8,485	-
Balance at 31 March 2021	2	434,339	936,195	1,370,536
Year ended 31 March 2022:				
Profit for the year	-	-	149,297	149,297
Other comprehensive income:				
Tax relating to other comprehensive income	-	(27,930)	-	(27,930)
Total comprehensive income for the year	-	(27,930)	149,297	121,367
Transfers	-	(16,970)	16,970	-
Balance at 31 March 2022	2	389,439	1,102,462	1,491,903

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Morgan Fuel & Lubes Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is 254 Dublin Road, Killeen, Newry, Co. Down, Northern Ireland, BT35 8RL.

The principal activity of the company during the year was that of fuel sales and distribution and the provision of credit services on the supply of fuel for transport and haulage companies.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Morgan Fuel & Lubes Limited is a wholly owned subsidiary of Morgan Fuels Ireland Limited and the results of the company are included in the consolidated financial statements of Morgan Fuels Ireland Limited which are available from its registered office, Carrickarnon, Ravensdale, Dundalk, Co. Louth.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.2 Going concern

As at 31st March 2022, the company had net current liabilities of £506,278 (2021: £503,959) but had net assets of £1,491,903 (2021: £1,370,536)

These financial statements are prepared on the going concern basis. The director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the director is aware of certain economic uncertainties which may cause doubt on the company's ability to continue as a going concern. These uncertainties include the current war in Ukraine and the volatility of fuel prices globally, and the impact this may have on gross profit and therefore overall profitability of the company. The gross profit margin is a key metric for the company. During the year ended 31 March 2022 gross profit declined from 3.7% to 3.2%. The director is monitoring this metric closely to ensure continued competitiveness and profitability.

The director has considered the company's post year end performance and the general outlook for the future of trading, along with the current debts of the company and other financing available to the company from the existing shareholder. From review of this information, the financial statements, the director has concluded that there are sufficient resources available to meet the company's liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

All turnover arose within the United Kingdom.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on a straight line basis at the following rates:

Freehold land & property improvements	0% - 5% per annum
Plant and machinery	15% per annum
Fixtures and fittings	15% per annum
Computers	20% per annum
Motor vehicles	15% per annum
Development costs	0% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account. The interest is charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 to be 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed assets

The annual depreciation and amortisation charge on fixed assets depends on the estimated lives of each type of asset and estimates of residual values. The director regularly reviews these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

Debtors

Short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

Taxation

Judgements are in relation to the calculation of certain aspects of the year end tax provisions and the respective tax. The management used external professional advice to support the year end provisions.

3 Auditor's liability limitation agreement

The Director, on behalf of the company has entered into a Limited Liability agreement dated 12 October 2022 with their auditors. The auditor's liability is limited to an amount which is considered fair and reasonable. This has been disclosed in line with company legislation.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Fuel card sales	87,682,930	50,570,977
Domestic/bulk deliveries	7,717,709	10,945,418
	<u>95,400,639</u>	<u>61,516,395</u>

	2022	2021
	£	£
Other revenue		
Interest income	9,874	11,095
Grants received	22,786	125,361
Management fee income	808,458	719,826
	<u>839,118</u>	<u>856,282</u>

All turnover arose within the United Kingdom.

5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(75,862)	1,985
Government grants	(22,786)	(125,361)
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	22,000
Depreciation of owned tangible fixed assets	189,269	130,099
Depreciation of tangible fixed assets held under finance leases	67,692	36,008
Profit on disposal of tangible fixed assets	(21,366)	-
Amortisation of intangible assets	13,600	13,599
Operating lease charges	150,733	161,285
	<u>283,080</u>	<u>239,516</u>

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Production staff	34	36
Administrative staff	16	11
Management staff	10	9
Total	60	56

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,723,851	1,406,837
Social security costs	165,712	113,961
Pension costs	44,294	35,572
	1,933,857	1,556,370

7 Director's remuneration

	2022 £	2021 £
Remuneration for qualifying services	70,448	75,786

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on invoice finance arrangements	151,444	110,105
Interest payable to group undertakings	-	891
Interest on finance leases and hire purchase contracts	15,927	8,785
	167,371	119,781

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Taxation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior periods	(16,578)	(47,210)
Deferred tax		
Origination and reversal of timing differences	46,671	32,058
Changes in tax rates	25,067	-
Total deferred tax	71,738	32,058
Total tax charge/(credit)	55,160	(15,152)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	204,457	133,282
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	38,847	25,324
Tax effect of expenses that are not deductible in determining taxable profit	4,054	38,436
Tax effect of income not taxable in determining taxable profit	(4,060)	-
Unutilised tax losses carried forward	10,423	-
Adjustments in respect of prior years	-	(29,676)
Permanent capital allowances in excess of depreciation	(65,842)	(81,294)
Deferred tax movement	71,738	32,058
Taxation charge/(credit) for the year	55,160	(15,152)

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	27,930	71,676

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	67,998
Amortisation and impairment	
At 1 April 2021	52,132
Amortisation charged for the year	13,600
At 31 March 2022	65,732
Carrying amount	
At 31 March 2022	2,266
At 31 March 2021	15,866

The above goodwill has been amortised over a term of 5 years.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Freehold land & property improvements	Plant and machinery	Fixtures and fittings	Computers	Motor vehicles	Development costs	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2021	1,781,588	599,006	420,773	254,900	312,357	74,161	3,442,785
Additions	89,302	124,564	91,441	43,496	324,494	11,120	684,417
Disposals	-	(19,320)	-	-	(251,227)	-	(270,547)
At 31 March 2022	1,870,890	704,250	512,214	298,396	385,624	85,281	3,856,655
Depreciation and impairment							
At 1 April 2021	124,996	422,047	271,858	153,864	115,950	-	1,088,715
Depreciation charged in the year	54,488	61,712	37,193	38,978	64,590	-	256,961
Eliminated in respect of disposals	-	-	-	-	(115,285)	-	(115,285)
At 31 March 2022	179,484	483,759	309,051	192,842	65,255	-	1,230,391
Carrying amount							
At 31 March 2022	1,691,406	220,491	203,163	105,554	320,369	85,281	2,626,264
At 31 March 2021	1,656,592	176,959	148,915	101,036	196,407	74,161	2,354,070

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	164,158	122,184
Motor vehicles	283,305	194,658
	<u>447,463</u>	<u>316,842</u>

Assets included within freehold land and property improvements were revalued in 2021. Independent valuation reports were completed by Digney Boyd. Digney Boyd are property consultants and chartered surveyors who are qualified for the purposes of valuation in accordance with RICS Valuation Standards. The valuation was carried out in accordance with the RICS Valuation Standards to provide the market value of the property. The director believes that this is still representative of the fair value of assets as at 31 March 2022.

The carrying amount that would have been recognised if these assets were carried under the cost model would have been £764,504.

12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in joint ventures	14	<u>40,000</u>	<u>-</u>

Movements in fixed asset investments

	Shares in joint ventures £
Cost or valuation	
At 1 April 2021	-
Additions	<u>40,000</u>
At 31 March 2022	<u>40,000</u>
Carrying amount	
At 31 March 2022	<u>40,000</u>
At 31 March 2021	<u>-</u>

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

<i>Name of undertaking</i>	<i>Country of registration</i>	<i>Class of shares held</i>	<i>% Held Direct</i>
Morgan Transport Limited	Northern Ireland	Ordinary	100.00

14 Joint ventures

Details of the company's joint ventures at 31 March 2022 are as follows:

<i>Name of undertaking</i>	<i>Country of registration</i>	<i>Interest held</i>	<i>% Held Direct</i>
Leap Business Solutions Limited	England	Ordinary	50.00

15 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	1,293,512	894,058

There is no requirement for a stock provision in this financial year.

16 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	8,282,774	6,211,207
Corporation tax recoverable	34,222	47,507
Other debtors	1,307,715	1,154,918
Prepayments and accrued income	105,145	91,361
	<u>9,729,856</u>	<u>7,504,993</u>

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors	(Continued)	
	2022	2021
	£	£
<i>Amounts falling due after more than one year:</i>		
Amounts owed by group undertakings	991,215	924,267
	<u> </u>	<u> </u>
Total debtors	10,721,071	8,429,260
	<u> </u>	<u> </u>

Amounts due from group companies are subject to an interest rate of 2.5% per annum and are repayable in full, on or before 31st March 2028. All companies reserve the right to repay the loan earlier without penalty if in a position to do so.

All trade debtors are due within the company's normal credit terms. Trade debtors are shown after a provision of £305,915 (2021: £115,915).

17 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Bank loans and overdrafts	19	141,703	140,817
Obligations under finance leases	20	223,327	82,855
Trade creditors		6,968,845	5,081,168
Proceeds from factored debt		4,263,529	3,802,571
Amounts owed to group undertakings		653,619	494,809
Corporation tax		22,209	26,163
Other taxation and social security		86,621	13,256
Deferred income	22	-	9,900
Other creditors		160,110	145,713
Accruals and deferred income		14,908	48,341
		<u> </u>	<u> </u>
		12,534,871	9,845,593
		<u> </u>	<u> </u>

The repayment of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors.

Proceeds from factored debts facility is secured on the book debts of the company.

Included within Trade creditors at year end is an amount payable to a related party of £6,828 (2021: £5,358).

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	20	389,421	278,531
Amounts due to group undertakings		-	35,650
		<u>389,421</u>	<u>314,181</u>

Secured creditors:

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

Bank of Ireland holds a fixed charge over the premises known as Killeen Service Station, Dublin Road, together with the benefit of the petroleum spirit license attaching thereto.

Fiduciam Nominees Limited holds a fixed charge over the freehold property known as 254 Dublin Road.

Amounts due to group company is subject to an interest rate of 2.5% per annum and are payable in full, on or before 31st March 2028. All companies reserve the right to pay the loan earlier without penalty if in a position to do so.

19 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	<u>141,703</u>	<u>140,817</u>
Payable within one year	<u>141,703</u>	<u>140,817</u>

20 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	223,327	82,855
In two to five years	347,088	237,576
In over five years	<u>42,333</u>	<u>40,955</u>
	<u>612,748</u>	<u>361,386</u>

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	151,116	79,378
Revaluations	129,812	101,882
	<u>280,928</u>	<u>181,260</u>
Movements in the year:		2022 £
Liability at 1 April 2021		181,260
Charge to profit or loss		46,671
Charge to other comprehensive income		27,930
Effect of change in tax rate - profit or loss		25,067
		<u>280,928</u>
Liability at 31 March 2022		<u>280,928</u>

The deferred tax liability set out above is expected to reverse within 60 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Deferred income

	2022 £	2021 £
Capital grants	-	9,900
	<u>-</u>	<u>9,900</u>

23 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	44,294	35,572
	<u>44,294</u>	<u>35,572</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2

Profit & loss account

The profit and loss account reserve represents the retained earnings of the company that are available for distribution.

25 Contingent liabilities

A contingent liability exists to repay grants should certain conditions under which they were awarded cease to be met.

26 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	98,901	98,901
Between two and five years	353,650	368,519
In over five years	622,845	705,089
	<u>1,075,396</u>	<u>1,172,509</u>

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	-	303,809

MORGAN FUEL & LUBES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

28 Directors' transactions

Amounts due (to)/from directors and connected persons at the beginning and end of the year were as follows:

£776,902 (2021 - £708,568).

Total advances made amounted to £68,334 (2021 - £80,501) and total monies received amounted to £nil (2021 - £nil).

The above balance is unsecured, interest free and repayable on demand.

29 Ultimate controlling party

Morgan Fuels Ireland Limited, incorporated in the Republic of Ireland, is considered by the director as being the company's controlling party and ultimate parent company. Mr H Morgan (director and shareholder) is the ultimate controlling party of the company.

Morgan Fuels Ireland Limited has included the company in its group financial statements, copies of which are available from its registered office at Carrickarnon, Ravensdale, Dundalk, Co. Louth.

30 Related party transactions

The company has taken the exemption not to disclose transactions with any companies that are wholly owned within the group in accordance with FRS 102.

No further transactions with related parties were undertaken that are required to be disclosed under FRS 102.