

Company Registration No. 07232065 (England and Wales)

CORYTON ADVANCED FUELS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020



CORYTON ADVANCED FUELS LIMITED

COMPANY INFORMATION

Directors	A D Willson C Charlton B Lampertz
Secretary	A D Willson
Company number	07232065
Registered office	The Manorway Coryton Stanford Le Hope Essex SS17 9LN
Auditor	RSM UK Audit LLP Chartered Accountants Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

CORYTON ADVANCED FUELS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their strategic report for the year ended 30 June 2020.

Review of the business

The company's principal activity is the formulation, blending and supply of specialist fuels to the automotive, aviation and motorsport industries – either directly or through its subsidiary companies, Coryton Advanced Fuels Deutschland GmbH and Coryton Advanced Fuels Korea LLC.

The company is part of a group of companies ("the group"), with the ultimate parent company being Premier Topco Limited.

The market continues to be highly competitive for the bulk supply of specialist, first fill, and reference fuels. The group has continued to develop its own niche by focusing on customers and sectors where it can add significant value, over and above its competitors, as a result of the technical expertise of its personnel, the efficiency of its production facility and the quality of its service.

Results and performance

The results reported are for the year ended 30 June 2020 ('2020'). Comparatives, unless otherwise stated, are for the year ended 30 June 2019 ('2019').

Revenue for 2020 was £16,401,659 (2019: £18,012,237), an 8.94% year on year reduction, reflecting the adverse impact of the Covid-19 global pandemic on trading for the last quarter of 2020. Revenue for 2020 was generated from the sale of 8.58 million litres of fuel (2019: 11.29 million litres) and the provision of associated ancillary services (technical consultancy, analysis, distribution, storage etc.).

The gross margin percentage for 2020 (39.5%) was up on 2019 (35.1%), due to a change in sales mix with a higher proportion of specialised blends at higher average margins overall and reduced costs from the use of third party storage facilities.

EBITDA before exchange rate gains (resulting from the conversion of Euro cash balances throughout the year and stock, debtor, and cash balances denominated in euros as at the year-end) was £3,049,731 for 2020 (2019: £2,791,501) – an EBITDA margin of 18.6% (2019: 15.5%). Overhead spend in 2020 increased by 6.9% to £4.48 million (2019: £4.19 million).

The profit for 2020 of £2,169,190 (2019: £2,177,637) is stated net of tax, after allowable group reliefs for the year.

As at 30 June 2020 the company had cash reserves of £4,627,808 (2019: £1,519,383). The company seeks to manage its cash resources in order to maintain appropriate headroom on its working capital facilities.

Business development

In 2018 the company initiated two major engineering projects at its production facility: the first designed to increase production output capacity, by introducing a second pipework manifold to enable multiple blend processes to be carried out simultaneously; and the second to improve site efficiency through the build of a new storage yard and warehouse facility for all packed goods (i.e. drums and IBCs) held on the group's UK site. Both projects were finally commissioned for use during 2020. A total of £548,000 was spent on these development projects in 2020 (2019: £2.04 million).

During the second half of 2020 the company leased tank capacity at Tank Opslag Verbeke in Belgium, thereby providing an additional 600cbm of external diesel blend capacity to primarily support its diesel blend supply programs for Germany. An additional 1500cbm was leased post 2020 year-end, with the potential for further capacity becoming available during 2021. This provides a substantial supply chain improvement, with current scoping to extend to gasoline storage and supply in 2021.

CORYTON ADVANCED FUELS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Shortly before the end of 2020, the global Covid-19 pandemic resulted in a total lockdown in the UK. This had a material impact on customer activity, causing the company to utilise the UK Government's Coronavirus Job Retention Schemes to safeguard as many jobs as possible, with a core of key staff continuing to work to process the reduced activity. Covid-19 safe-working measures were implemented quickly and staff were gradually returned to work in line with rising customer activity. With the progressive lifting of restrictions, business steadily recovered post 2020 year-end and current projections are for a return to pre-Covid trading levels in the first half of 2021.

During 2020 the company continued to implement further enhancements to the supply chain system installed in 2019. This has created substantial improvements to process management and reporting, while boosting sales and production efficiency and providing high quality, reliable management information.

Key performance indicators ('KPIs')

The senior management and board of directors monitor the progress of the company by reference to specific KPIs, which are produced and reviewed on a weekly and monthly basis.

Weekly

Health, safety and environmental (HSE) – all HSE related matters are reported as soon as possible after occurrence and full investigation reports produced within 48 hours. These are reviewed by the executive directors weekly and signed off as closed once remedial actions arising have been implemented. A committee of HSE representatives meets regularly to discuss HSE concerns and areas for improvement to ensure maintenance of safe working practices and protection for the environment.

Quality assurance (QA) – an on-going process of QA is operated with regards to adherence to processes, achievement of fuel specifications and customer service satisfaction. Feedback from customers, both adverse and favourable, is reviewed regularly by senior management as integral to a continuous improvement program for customer service.

Revenue assessment – based on the volume of fuel despatched in the previous week, an assessment of revenue is compiled by applying quoted pricing. This provides critical insight into how revenue is building each month, in advance of the full month end management accounts becoming available, while also providing essential categorisation of revenue and fuel volumes by customer and market sector.

Blend volumes – production is monitored closely through the volume of fuel blended on average per week, compared to pre-set targets derived from the company's budget process and on-going commercial forecasting. In 2020 a total of 7.61 million litres were produced (2019: 10.39 million) in the company's blending facility – an average of c.149,000 litres per week (2019: c.208,000) over a 51-week production year. Blend volumes produced are compared to the volumes of fuel despatched and invoiced each week and a reconciliation is undertaken, as not all fuel despatched requires blending and an increasing quantity of fuel despatched is held in transitory storage for up to several weeks, prior to onward delivery to the customer.

Volume in production plan – all new orders and anticipated call-offs on framework contracts are added into a production plan that categorises volumes between pre-production (i.e. formulation), production (i.e. blending) and analysis. Volumes are moved between categories on the plan throughout the production process. This enables management to efficiently schedule blend production, in order to optimise utilisation of its blending facility; and to assess average lead-times for blending – an essential performance factor for the customer sales process.

Sales pipeline – the company monitors the extent of fuel volume quoted versus fuel volume ordered; the quantum of orders received being assessed against the required run rate for achievement of budget and/or rolling forecasts.

Monthly

In addition to the weekly reporting and monitoring of KPIs, the company produces a comprehensive monthly report for submission to the principal shareholders and board of directors of its ultimate parent company, Premier Topco Limited. This includes detailed finance schedules and activity reports from senior management responsible for commercial, production, HSE and QA.

CORYTON ADVANCED FUELS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Within the monthly report, there is a focus on health, safety, environmental and quality performance, as well as sales volumes, revenue and gross margin – the latter being dependent on the mix of custom in any period between low and high margin yielding contracts.

The report also includes a historical analysis of the rolling twelve-month performance for the last twelve months ('LTM') in respect of sales volumes, revenue, EBITDA and gross margin per litre of fuel sold. This is specifically to look at the performance trend over a longer period, thereby smoothing the effect of individual months.

Principal risks and uncertainties

Management of key risk areas is addressed through a framework of policies, procedures and internal controls. All policies are subject to board approval and ongoing review by management. Compliance with regulation, health and safety, legal and ethical standards is a high priority for the company and the directors take on an important oversight role in this regard.

The company's blending facility was designated a lower tier COMAH (Control of Major Accident Hazards) site in 2015, and there is an on-going program of intervention visits from the relevant Competent Authorities, focused on compliance with the appropriate standards and guidelines for best practice in respect of safe operation of the blending facility – specifically with regards to the company's personnel, third parties and the environment. The company has appointed a designated Compliance Officer to deal with all aspects of compliance for COMAH as well as Occupational Health and Safety and the group's ISO accreditations.

The industry served by the company is constantly evolving, due to legislative changes and market demands with regards to the requirement for road vehicles. This is expected to affect the mix of custom received by the company split between requirement for specialist diesel, gasoline and renewable fuels. The company is well placed to react to these changes as they occur, with appropriate technical expertise and by adapting the use of its blending facilities to manage any material switch in production demand.

The ongoing position with regards to the UK's decision to leave the European Union continues to present major uncertainties for UK businesses trading with Europe. The company believes the eventual impact on it is likely to be small, as its European based customers will have an on-going requirement for the fuels it produces that would be difficult to source from European based competitors.

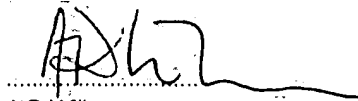
Around 40-45% of the company's income streams are denominated in euros. After settlement of all euro denominated costs, the company manages its exposure to adverse movements in currency translation rates for its residual net euro cash flows through a hedging strategy based on the layering of forward contracts.

Future developments

The company continues to target growth of its customer base in the UK and Europe as well as seeking opportunities for expansion into other geographical areas, such as North America and Asia – specifically South Korea, through its subsidiary trading entity in that country.

The company has been dedicating resource to the development of new specialist test and reference fuels that it believes will have considerable interest with many of its customers and drive future revenue growth. A further development area that is rapidly gaining momentum is in respect of 'future' fuels, i.e. hydrocarbon fuels derived from sustainable or recycled sources. The company is at the forefront of development of future fuels and is collaborating with industry forums and customers as early adopters, to actively promote their use as integral to the solution for reducing the extent of greenhouse gas emissions from fossil fuels.

On behalf of the board



A D Willson

Director

Date: 21/12/20

CORYTON ADVANCED FUELS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities

The principal activity of the company continued to be the design and supply of bespoke fuels to the automotive and aviation industries.

Directors

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

N B Pye	(Resigned 26 June 2020)
A D Willson	
C Charlton	(Appointed 27 January 2020)
B Lampertz	(Appointed 27 February 2020)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Research and development

The company dedicates resources to the development of new specialist test and reference fuels. 2020: £513,308 (2019: £645,975).

Going concern

These financial statements have been prepared on a going concern basis, which assume that the company will be able to continue to trade and meet its debts as they fall due for the foreseeable future, as a minimum for a period of at least twelve months from the date of approval of these financial statements.

The company is part of a bank cross guarantee arrangement as disclosed in note 23 of these accounts, and therefore it is necessary to look at the group position when considering going concern. The group has prepared cash flow forecasts which take account of reasonably possible downsides and the anticipated impact of Covid-19 on the operations and its financial resources. In preparing these forecasts the Directors have assessed a base case forecast with increasing levels of trading throughout 2020 and 2021 and also a downside case projection with a lower level of income and gross margin to demonstrate the ability of the group to effectively manage its cash flow and satisfy its financial obligations with a range of adverse scenarios.

The group is funded by a combination of loan notes and bank debt. At the year end the loan notes totalled £28,861,615 including accrued interest at 12% which is rolled up and not payable until the loan notes expire in September 2022. At the year end the group had £9,470,700 of bank loans outstanding, which are repayable in quarterly instalments with the exception of a £4.95m facility which is repayable in full on 22 September 2021. Both the base case and downside forecasts assume that the lender will refinance the debt to allow the £4.95m to be repaid in quarterly repayments in line with the previous repayment pattern rather than the full amount requiring to be repaid in one lump sum. The Directors expect that the Lender will agree to this refinancing, or alternatively that the debt can be refinanced with another lender but acknowledges that there can be no certainty of this and that this matter represents a material uncertainty in relation to going concern. Nevertheless, given the directors confidence that the loan facility can be refinanced when the current facility expires, it is the expectation of the directors that the company and the Group will be able to meet their liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements.

CORYTON ADVANCED FUELS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Auditor

RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office.

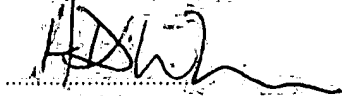
Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of Review of the business and Future developments.

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, each director 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.

On behalf of the board



A D Willson
Director

Date: 21/6/20

CORYTON ADVANCED FUELS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORYTON ADVANCED FUELS LIMITED

Opinion

We have audited the financial statements of Coryton Advanced Fuels Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 June 2020 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.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy on page 13 of the financial statements which indicates that the company is dependent on one of its group's external lenders to refinance a loan facility of £4.95m that falls due for repayment during the forecast period, or on the loan being refinanced by an alternative lender, and this refinancing has not yet been agreed. This matter indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORYTON ADVANCED FUELS LIMITED (CONTINUED)

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 and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Kerry Norman (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex, CM1 1LN
22/12/2020

CORYTON ADVANCED FUELS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	16,401,659	18,012,237
Cost of sales		(9,920,556)	(11,691,516)
Gross profit		6,481,103	6,320,721
Establishment costs		(443,876)	(358,197)
Administrative expenses		(4,035,869)	(3,836,450)
Other operating income		268,894	189,480
Operating profit	4	2,270,252	2,315,554
Interest payable and similar expenses	7	-	(567)
Other gains and losses	8	(34,277)	(9,045)
Profit before taxation		2,235,975	2,305,942
Tax on profit	9	(66,785)	(128,305)
Profit for the financial year		2,169,190	2,177,637

CORYTON ADVANCED FUELS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	10	226,484		272,515	
Tangible assets	11	8,835,100		8,512,663	
Investments	12	95,252		95,252	
			<u>9,156,836</u>		<u>8,880,430</u>
Current assets					
Stocks	14	3,592,888		3,002,260	
Debtors	15	3,579,297		6,786,509	
Cash at bank and in hand		4,627,808		1,519,383	
			<u>11,799,993</u>		<u>11,308,152</u>
Creditors: amounts falling due within one year	16	<u>(2,920,756)</u>		<u>(4,439,782)</u>	
Net current assets			<u>8,879,237</u>		<u>6,868,370</u>
Total assets less current liabilities			<u>18,036,073</u>		<u>15,748,800</u>
Provisions for liabilities	17		<u>(545,179)</u>		<u>(427,096)</u>
Net assets			<u><u>17,490,894</u></u>		<u><u>15,321,704</u></u>
Capital and reserves					
Called up share capital	21	1,281,012		1,281,012	
Revaluation reserve	22	965,597		1,008,027	
Profit and loss reserves	22	15,244,285		13,032,665	
Total equity			<u><u>17,490,894</u></u>		<u><u>15,321,704</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21/12/20 and are signed on its behalf by:


A D Willson
Director

CORYTON ADVANCED FUELS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2018	1,281,012	1,027,807	10,835,248	13,144,067
Year ended 30 June 2019:				
Profit and total comprehensive income for the year	-	-	2,177,637	2,177,637
Transfers	-	(19,780)	19,780	-
Balance at 30 June 2019	1,281,012	1,008,027	13,032,665	15,321,704
Year ended 30 June 2020:				
Profit and total comprehensive income for the year	-	-	2,169,190	2,169,190
Transfers	-	(42,430)	42,430	-
Balance at 30 June 2020	<u>1,281,012</u>	<u>965,597</u>	<u>15,244,285</u>	<u>17,490,894</u>

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Coryton Advanced Fuels Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Manorway, Coryton, Stanford Le Hope, Essex, SS17 9LN.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 properties held at deemed cost less depreciation and the measurement of 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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 financial statements of the company are consolidated in the financial statements of Premier Topco Limited. These consolidated financial statements are available from its registered office, The Manorway, Coryton, Stanford Le Hope, Essex, SS17 9LN.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts as consolidation occurs further up the group. The financial statements present information about the company as an individual entity and not about its group.

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

Going concern

These financial statements have been prepared on a going concern basis, which assume that the company will be able to continue to trade and meet its debts as they fall due for the foreseeable future, as a minimum for a period of at least twelve months from the date of approval of these financial statements.

The company is part of a bank cross guarantee arrangement as disclosed in note 23 of these accounts, and therefore it is necessary to look at the group position when considering going concern. The group has prepared cash flow forecasts which take account of reasonably possible downsides and the anticipated impact of Covid-19 on the operations and its financial resources. In preparing these forecasts the Directors have assessed a base case forecast with increasing levels of trading throughout 2020 and 2021 and also a downside case projection with a lower level of income and gross margin to demonstrate the ability of the group to effectively manage its cash flow and satisfy its financial obligations with a range of adverse scenarios.

The group is funded by a combination of loan notes and bank debt. At the year end the loan notes totalled £28,861,615 including accrued interest at 12% which is rolled up and not payable until the loan notes expire in September 2022. At the year end the group had £9,470,700 of bank loans outstanding, which are repayable in quarterly instalments with the exception of a £4.95m facility which is repayable in full on 22 September 2021. Both the base case and downside forecasts assume that the lender will refinance the debt to allow the £4.95m to be repaid in quarterly repayments in line with the previous repayment pattern rather than the full amount requiring to be repaid in one lump sum. The Directors expect that the Lender will agree to this refinancing, or alternatively that the debt can be refinanced with another lender but acknowledges that there can be no certainty of this and that this matter represents a material uncertainty in relation to going concern. Nevertheless, given the directors confidence that the loan facility can be refinanced when the current facility expires, it is the expectation of the directors that the company and the Group will be able to meet their liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements.

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. The sale of goods is recognised on the date of dispatch.

Management charges

Management charges are recognised at the fair value of the consideration received or receivable for sale of services to group companies.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Development Costs	at a set rate per litre of fuel supplied
Website domains	10% on cost

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

Development costs are amortised once the development project has completed and moved into the commercial phase. Development costs include costs incurred on external testing of the development fuels, as well as the cost of the development fuels tested (determined at a set rate per litre of fuel) and the costs of carriage in shipping the fuels to the external test facilities.

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 provided on all tangible fixed assets; other than land, at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life.

Freehold land and buildings	2% on cost
Improvements to property	2% on cost upon completion
Plant and machinery	10% on cost
Computer equipment	25% on cost
Motor vehicles	20% on cost
Utilities	10% on cost

Freehold land is not depreciated.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

The company took advantage of paragraph 35.10(c) of Chapter 35 of FRS 102 to restate some of its freehold land and buildings to fair value at the date of transition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value is usually considered to be their market value. The revaluation gain upon transition was recognised directly in equity, except to the extent that an impairment loss exceeds the revaluation gains recognised in equity, such gains and loss are recognised in profit or loss. The company's freehold land and buildings were revalued in 2015 and the valuation at that date was taken as the deemed cost upon transition to FRS 102.

Excess depreciation arising from any revaluation is the subject of an annual transfer from the profit and loss reserve to the revaluation reserve, net of deferred taxation, over the remaining useful economic life of the asset to which it relates.

Fixed asset investments

Interests in subsidiaries 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.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

Shortfalls between carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversal of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Stocks

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

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.

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 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 trade and other debtors and amounts owed by group undertakings, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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 trade and other creditors and amounts owed to group undertakings, 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.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the deemed cost model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

Provisions

The company have recognised provisions in its financial statements, which requires management to make judgements in respect of:

- useful life of fixed assets
- stock carrying value
- recoverability of trade debtors

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
Fuel supply	16,026,583	17,643,839
Other services	375,076	368,398
	<u>16,401,659</u>	<u>18,012,237</u>
	<u>16,401,659</u>	<u>18,012,237</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	8,389,025	8,258,711
Other European Countries	7,479,325	9,464,561
Rest of World	533,309	288,965
	<u>16,401,659</u>	<u>18,012,237</u>
	<u>16,401,659</u>	<u>18,012,237</u>

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

4 Operating profit

	2020	2019
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange gains	(54,769)	(57,914)
Research and development costs	513,308	645,975
Fees payable to the company's auditor for the audit of the company's and group's financial statements	34,725	33,225
Depreciation of owned tangible fixed assets	779,745	713,861
Amortisation of intangible assets	54,503	-
Cost of stocks recognised as an expense	7,894,887	8,971,647
	<u>7,894,887</u>	<u>8,971,647</u>

5 Employees

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

	2020	2019
	Number	Number
Management and administration	36	35
Direct labour	14	13
	<u>50</u>	<u>48</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	1,907,851	2,080,835
Social security costs	191,370	182,118
Pension costs	90,591	73,417
	<u>2,189,812</u>	<u>2,336,370</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	35,250	-
Sums paid to third parties for directors' services	332,997	407,025
Employment termination payments	134,165	-
	<u>502,412</u>	<u>407,025</u>

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

6 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	311,162	178,125
	<u>311,162</u>	<u>178,125</u>
7 Interest payable and similar expenses		
	2020 £	2019 £
Other interest	-	567
	<u>-</u>	<u>567</u>
	<u>-</u>	<u>567</u>
8 Other gains and losses		
	2020 £	2019 £
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value through profit or loss	(34,277)	(9,045)
	<u>(34,277)</u>	<u>(9,045)</u>
	<u>(34,277)</u>	<u>(9,045)</u>
9 Taxation		
	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	11,947	76,719
Adjustments in respect of prior periods	(63,245)	(3,786)
	<u>(51,298)</u>	<u>72,933</u>
Total current tax	<u>(51,298)</u>	<u>72,933</u>
Deferred tax		
Origination and reversal of timing differences	53,127	54,300
Changes in tax rates	52,272	-
Freehold land and buildings	(4,528)	(4,051)
Adjustment in respect of prior periods	17,212	5,123
	<u>118,083</u>	<u>55,372</u>
Total deferred tax	<u>118,083</u>	<u>55,372</u>
Total tax charge	<u>66,785</u>	<u>128,305</u>

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

9 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	2,235,975	2,305,942
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	424,835	438,129
Tax effect of expenses that are not deductible in determining taxable profit	1,234	10,588
Effect of change in corporation tax rate	-	(5,846)
Group relief	(402,153)	(337,239)
Depreciation on assets not qualifying for tax allowances	29,211	25,864
Under/(over) provided in prior years	(63,245)	(3,786)
Deferred tax adjustments in respect of prior years	17,212	5,123
Change in deferred tax rate	52,272	-
R&D credit	11,947	-
Freehold land and buildings	(4,528)	(4,528)
Taxation charge for the year	66,785	128,305

The company made a claim of £513,308 (2019: £645,975) for enhanced tax relief on its qualifying Research and Development expenditure.

10 Intangible fixed assets

	Development Costs £	Website domains £	Total £
Cost			
At 1 July 2019	272,515	-	272,515
Additions	-	8,472	8,472
At 30 June 2020	272,515	8,472	280,987
Amortisation and impairment			
Amortisation charged for the year	54,503	-	54,503
At 30 June 2020	54,503	-	54,503
Carrying amount			
At 30 June 2020	218,012	8,472	226,484
At 30 June 2019	272,515	-	272,515

CORYTON ADVANCED FUELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

11 Tangible fixed assets

	Freehold land and buildings £	Improvements to property £	Plant and machinery £	Computer equipment £	Motor vehicles £	Utilities £	Total £
Cost or valuation							
At 1 July 2019	3,000,000	2,806,832	4,021,331	697,304	19,269	383,487	10,928,223
Additions	-	686,074	225,584	75,181	115,343	-	1,102,182
At 30 June 2020	3,000,000	3,492,906	4,246,915	772,485	134,612	383,487	12,030,405
Depreciation and impairment							
At 1 July 2019	228,500	116,998	1,526,989	389,797	6,654	146,622	2,415,560
Depreciation charged in the year	45,700	69,858	434,315	164,597	26,922	38,353	779,745
At 30 June 2020	274,200	186,856	1,961,304	554,394	33,576	184,975	3,195,305
Carrying amount							
At 30 June 2020	2,725,800	3,306,050	2,285,611	218,091	101,036	198,512	8,835,100
At 30 June 2019	2,771,500	2,689,834	2,494,342	307,507	12,615	236,865	8,512,663

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

11 Tangible fixed assets (Continued)

The company has pledged fixed assets with a net book value of £8,835,100 (2019: £8,512,663) to secure the bank loan of its parent company Premier Bidco Limited by way of fixed and floating charges.

Freehold Property was valued on an open market basis on 5 January 2015 by Gerald Eve LLP.

Included in the valuation of land and buildings is freehold land of £715,000 (2019: £715,000) which is not depreciated.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	1,769,260	1,769,260
Accumulated depreciation	(224,235)	(202,366)
Carrying value	<u>1,545,025</u>	<u>1,566,894</u>

Included in the historic cost of land and buildings is freehold land of £582,778 (2019: £582,778) which is not depreciated.

12 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	13	<u>95,252</u>	<u>95,252</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2019 & 30 June 2020	<u>95,252</u>
Carrying amount	
At 30 June 2020	<u>95,252</u>
At 30 June 2019	<u>95,252</u>

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

13 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Coryton Advanced Fuels Deutschland GmbH	1	Sales Agent	Ordinary	100	-
Coryton Advanced Fuels Korea LLC	2	Sales Agent	Ordinary	100	-

Registered Office addresses:

- Campus Sollbruggen, Sollbrüggenstrasse 52, D-47800 Krefeld, Germany
- LG Palace Building, Suite 1226, Mapo-Ku, Yanghwa-Ro 156, Seoul, Korea 121-754

14 Stocks

	2020 £	2019 £
Finished goods and goods for resale	3,592,888	3,002,260

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,435,657	3,839,982
Corporation tax recoverable	77,184	45,831
Amounts owed by group undertakings	1,759,526	2,347,023
Other debtors	61,733	45,626
Prepayments and accrued income	245,197	508,047
	<u>3,579,297</u>	<u>6,786,509</u>

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	897,082	2,120,840
Amounts owed to group undertakings	848,180	1,460,060
Taxation and social security	227,874	35,096
Derivative financial instruments	34,277	9,045
Other creditors	37,064	22,315
Accruals and deferred income	876,279	792,426
	<u>2,920,756</u>	<u>4,439,782</u>

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

17 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	18	545,179	427,096

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	2020 £	2019 £
Accelerated capital allowances	335,001	242,155
Freehold land and buildings	215,179	196,580
Other short term timing differences	(5,001)	(11,639)
	<u>545,179</u>	<u>427,096</u>

Movements in the year:	2020 £
Liability at 1 July 2019	427,096
Charge to profit or loss	118,083
Liability at 30 June 2020	<u>545,179</u>

£104,978 of the deferred tax liability set out above relating to accelerated capital allowances is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

All of the deferred tax asset above relating to short term timing differences is expected to reverse within 12 months and relates to staff pension costs that are expected to be paid within the same period.

The deferred tax liability relating to the revaluation of freehold land and buildings set out above is expected to reverse within 45 years, which is the properties remaining useful economic life. £4,528 is expected to reverse within 12 months.

19 Financial instruments

	2020 £	2019 £
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	34,277	9,045

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

19 Financial instruments (Continued)

The company's policy is to eliminate its currency exposure where possible by the use of facilities which have contractually fixed rates and time periods in which the currency must be purchased. At the reporting date, the company had a commitment to sell EUR and buy GBP, the fair value of which was a liability of £34,277 (2019: £9,045).

The contracts are valued based on available market data. The company does not adopt hedge accounting for forward exchange contracts, consequently fair value gains and losses are recognised in profit or loss.

20 Retirement benefit schemes

	2020	2019
	£	£
Charge to profit or loss in respect of defined contribution schemes	90,591	73,417

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. Contributions totalling £16,993 (2019: £15,648) were payable to the fund at the year end and are included in creditors.

21 Share capital

	2020	2019
	£	£
Ordinary share capital Issued and fully paid		
1,281,012 Ordinary shares of £1 each	1,281,012	1,281,012
	<u>1,281,012</u>	<u>1,281,012</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

22 Reserves

Revaluation reserve

This represents the cumulative revaluation gains and losses in respect of freehold land and buildings, net of deferred tax.

Profit and loss reserves

This represents the cumulative profit and loss net of distributions to owners.

CORYTON ADVANCED FUELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

23 Financial commitments, guarantees and contingent liabilities

In the current year, the company has committed to spend £Nil (2019: the company had committed to spend £526,729 on a storage yard / warehouse project and road tanker).

A cross guarantee exists between Premier Topco Limited, Premier Midco Limited, Premier Bidco Limited and Coryton Advanced Fuels Limited, in relation to the bank loan held by Premier Bidco Limited. The outstanding balance of the bank loan as at 30 June 2020 is £9,457,386.

24 Ultimate controlling party

The ultimate controlling party is Horizon Capital Fund 2013 A Limited Partnership.

There is no sole controlling party.

Premier Bidco Limited is the immediate parent company.

The directors consider the ultimate parent undertaking to be Premier Topco Limited, a company incorporated in the United Kingdom.

Premier Topco Limited is the smallest and largest group for which consolidated accounts are prepared. The consolidated accounts are available from its registered office, The Manorway, Coryton, Stanford Le Hope, Essex SS17 9LN.