



Potteries Fuels Limited
Annual report and financial statements
For the year ended 30 April 2022

£10.22 per share (2021: £10.00 per share)
The *Clarke Fuel Oil* website (www.clarkefueloil.co.uk) is a
www.clarkefueloil.co.uk

Potteries Fuels Limited

Company information

Director	Mr A D Griffiths
Secretary	Mrs M Griffiths
Company number	05779422
Registered office	The Glades Festival Way Festival Park Stoke-on-Trent Staffordshire United Kingdom ST1 5TQ
Auditor	Mitten Clarke Audit Limited The Glades Festival Way Festival Park Stoke on Trent Staffordshire ST1 5SQ

Potteries Fuels Limited

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Potteries Fuels Limited

Strategic report

For the year ended 30 April 2022

The director presents the strategic report for the year ended 30 April 2022.

Fair review of the business

The company's principal activity is that of a registered dealer in controlled oils, selling various fuels to domestic, commercial and agricultural customers.

We are one of the few remaining family owned and independent fuel suppliers, delivering home heating oil, red diesel, road diesel and lubricants. We enjoy serving our loyal customer base with fair pricing, family values, honesty and good service.

The business operates from one location based in Stoke-on-Trent and has approximately nineteen staff.

Going forward, we aim to steadily grow the business by both increasing existing customers credit lines and organic growth. We have a loyal customer base and work closely with them in order to fulfil their requirements. We don't rely heavily on a small number of clients; our clients are quite equally spread which minimises risk to the business. Steady growth also allows us to plan long term with regards to fuel tankers and staff training, tankers can take up to one year to be delivered, from point of order, therefore its good practice to accept these expectations to keep the smooth running of the business.

With regards to suppliers, we also work closely with them and have long term relationships, which have benefited us with the recent rise in costs, so our future plans are to maintain these 'partnerships' and work alongside our current suppliers so supply is not affected in any way.

The balance between customers and suppliers is equally important to us and we value both sides.

Principal risks and uncertainties

As with any business the directors are aware that risks exist which can adversely affect the performance of the company. The directors have taken steps to identify and monitor these risks to assist in minimising their impact.

We continue to work closely within the current market and regularly review fuel prices with the assistance of our suppliers, our costs and prices are somewhat dictated by the real time markets and we need to ensure we have up to date information

The directors have confidence that there is a realistic opportunity to develop the business further by way of more fuel trucks and then delivering larger volumes of fuel.

Development and performance

Turnover as disclosed in the Statement of income and retained earnings on page 9 comprises of the sale of various fuels to our UK based customers. Overall sales have increased in value by 67.89% in 2022 to £54,602,351 (2021 - £32,521,760) This is due to a combination of the cost of fuel increasing drastically, more volumes sold and the increase in our intercompany transactions. There was also a government change which took effect from 1st April 2022 - where many businesses can no longer use Red Diesel in their machines, which has resulted in their fuel costs almost doubling.

Gross profit margin has decreased by 0.51% in the 12 months to 30 April 2022 to 3.65% (2021 - 4.16%), our operating profit has increased by £378,189 to £1,187,095 (2021 - £808,906)

The company reported a profit before tax of £1,180,015 compared with the previous year (2021) of £802,075

Potteries Fuels Limited

Strategic report (continued)

For the year ended 30 April 2022

Key performance indicators

We consider that our key financial performance indicators are the volumes of fuel we sell and the margins at which we sell it, margins in this industry are generally low, so we need to ensure a minimum volume level in order to maintain our profitability and cover our overhead costs.

Total volumes sold

2022 - 35,098,516 litres

2021 - 28,108,813 litres

On behalf of the board

Mr A D Griffiths

Director

22 December 2022

Potteries Fuels Limited

Director's report

For the year ended 30 April 2022

The director presents his annual report and financial statements for the year ended 30 April 2022.

Principal activities

The principal activity of the company continued to be that of wholesale fuel supply to corporate bodies and members of the public.

Results and dividends

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

Ordinary dividends were paid amounting to £218,100. The director does not recommend payment of a further 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 A D Griffiths

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.

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.

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 directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Potteries Fuels Limited

Director's report (continued)

For the year ended 30 April 2022

On behalf of the board

Mr A D Griffiths
Director

22 December 2022

Potteries Fuels Limited

Independent auditor's report

To the members of Potteries Fuels Limited

Opinion

We have audited the financial statements of Potteries Fuels Limited (the 'company') for the year ended 30 April 2022 which comprise the statement of income and retained earnings, the statement of financial position 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 30 April 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.

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.

Potteries Fuels Limited

Independent auditor's report (continued)

To the members of Potteries Fuels Limited

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

Potteries Fuels Limited

Independent auditor's report (continued)

To the members of Potteries Fuels Limited

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Potteries Fuels Limited

Independent auditor's report (continued)

To the members of Potteries Fuels Limited

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.

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.

The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

22 December 2022

Lindsey Shepherd
(Senior Statutory Auditor)
for and on behalf of
Mitten Clarke Audit Limited

Chartered Accountants
Statutory Auditor

Potteries Fuels Limited

Statement of income and retained earnings

For the year ended 30 April 2022

	Notes	2022 £	2021 £
Turnover	2	54,602,351	32,521,760
Cost of sales		(52,608,382)	(31,170,121)
Gross profit		1,993,969	1,351,639
Administrative expenses		(831,015)	(613,517)
Other operating income		24,141	70,784
Operating profit	3	1,187,095	808,906
Interest receivable and similar income	6	2,805	927
Interest payable and similar expenses	7	(9,885)	(7,758)
Profit before taxation		1,180,015	802,075
Tax on profit	8	(213,671)	(141,240)
Profit for the financial year		966,344	660,835
Retained earnings brought forward		1,905,656	1,500,921
Dividends	9	(218,100)	(256,100)
Retained earnings carried forward		2,653,900	1,905,656

Potteries Fuels Limited

Statement of financial position as at 30 April 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		518,789		406,332
Current assets					
Stocks	11	238,312		113,853	
Debtors	12	6,695,005		4,534,636	
Cash at bank and in hand		742,911		1,404,231	
		<u>7,676,228</u>		<u>6,052,720</u>	
Creditors: amounts falling due within one year	13	<u>(5,298,491)</u>		<u>(4,327,597)</u>	
Net current assets			<u>2,377,737</u>		<u>1,725,123</u>
Total assets less current liabilities			<u>2,896,526</u>		<u>2,131,455</u>
Creditors: amounts falling due after more than one year	14		(149,026)		(153,949)
Provisions for liabilities					
Deferred tax liability	17	93,500		71,750	
		<u>(93,500)</u>		<u>(71,750)</u>	
Net assets			<u>2,654,000</u>		<u>1,905,756</u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss reserves	20		2,653,900		1,905,656
Total equity			<u>2,654,000</u>		<u>1,905,756</u>

The financial statements were approved and signed by the director and authorised for issue on 22 December 2022

Mr A D Griffiths
Director

Company Registration No. 05779422

Potteries Fuels Limited

Notes to the financial statements

For the year ended 30 April 2022

1 Accounting policies

Company information

Potteries Fuels Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Glades, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire, United Kingdom, ST1 5TQ.

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 cover the company as an individual entity.

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. 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of TMG Fuels Limited. These consolidated financial statements are available from its registered office, The Glades, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire ST1 5SQ.

1.2 Going concern

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.

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

1.4 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 the following bases:

Leasehold land and buildings	4% on cost
Plant and equipment	33.33% on cost
Fixtures and fittings	33% on reducing balance
Motor vehicles	20% on reducing balance

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value (estimated selling price less costs to complete and sell). Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the weighted average cost formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 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 statement of financial position 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.

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.

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.

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, 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.

Derecognition of financial liabilities

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

1.9 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.

1.10 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the 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.

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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.11 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.

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

1 Accounting policies

(Continued)

1.12 Retirement benefits

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

1.13 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant will be received. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

1.15 Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with other group entities where the relationship is one of being wholly owned.

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

2 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Diesel	33,017,225	20,840,605
Gas oil	14,341,135	7,735,612
Kerosene	4,841,840	2,474,383
Petrol	2,193,615	1,298,756
Other	208,536	172,404
	<u>54,602,351</u>	<u>32,521,760</u>
	2022	2021
	£	£
Other revenue		
Interest income	2,805	927
Grants received	-	10,268
	<u>-</u>	<u>10,268</u>

3 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(10,268)
Fees payable to the company's auditor for the audit of the company's financial statements	6,500	6,500
Depreciation of owned tangible fixed assets	38,948	35,486
Depreciation of tangible fixed assets held under finance leases	59,419	32,412
Loss/(profit) on disposal of tangible fixed assets	253	(6,075)
Operating lease charges	66,454	50,678
	<u>66,454</u>	<u>50,678</u>

4 Employees

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

	2022	2021
	Number	Number
Directors	1	1
Staff	18	15
	<u>19</u>	<u>16</u>
Total	<u>19</u>	<u>16</u>

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

4	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	524,495	414,720
	Social security costs	49,292	39,629
	Pension costs	122,978	50,061
		<u>696,765</u>	<u>504,410</u>
		<u><u>696,765</u></u>	<u><u>504,410</u></u>
5	Director's remuneration		
		2022	2021
		£	£
	Remuneration for qualifying services	8,862	8,792
	Company pension contributions to defined contribution schemes	112,769	42,769
		<u>121,631</u>	<u>51,561</u>
		<u><u>121,631</u></u>	<u><u>51,561</u></u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).		
6	Interest receivable and similar income		
		2022	2021
		£	£
	Interest income		
	Interest on bank deposits	2,352	784
	Other interest income	453	143
		<u>2,805</u>	<u>927</u>
	Total income	<u><u>2,805</u></u>	<u><u>927</u></u>
7	Interest payable and similar expenses		
		2022	2021
		£	£
	Interest on bank overdrafts and loans	3,231	2,751
	Interest on finance leases and hire purchase contracts	6,654	5,007
		<u>9,885</u>	<u>7,758</u>
		<u><u>9,885</u></u>	<u><u>7,758</u></u>
8	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	191,921	111,490
		<u>191,921</u>	<u>111,490</u>
		<u><u>191,921</u></u>	<u><u>111,490</u></u>

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

8 Taxation	(Continued)	
	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	21,750	29,750
Total tax charge	213,671	141,240

The actual charge 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	1,180,015	802,075
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	224,203	152,394
Tax effect of expenses that are not deductible in determining taxable profit	380	223
Group relief	-	(12,225)
Depreciation on assets not qualifying for tax allowances	375	375
Other permanent differences	(77)	473
Enhanced capital allowances	(11,210)	-
Taxation charge for the year	213,671	141,240

Factors that may affect future tax charges:

The UK Budget announcements on 23 September 2022 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

9 Dividends	2022 £	2021 £
Final paid	218,100	256,100

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

10 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2021	180,304	63,230	89,513	379,287	712,334
Additions	-	10,425	2,156	199,073	211,654
Disposals	-	-	(1,280)	-	(1,280)
At 30 April 2022	180,304	73,655	90,389	578,360	922,708
Depreciation and impairment					
At 1 May 2021	75,372	51,762	67,121	111,747	306,002
Depreciation charged in the year	7,212	7,487	7,496	76,172	98,367
Eliminated in respect of disposals	-	-	(450)	-	(450)
At 30 April 2022	82,584	59,249	74,167	187,919	403,919
Carrying amount					
At 30 April 2022	97,720	14,406	16,222	390,441	518,789
At 30 April 2021	104,932	11,468	22,392	267,540	406,332

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 £
Motor vehicles	312,677	192,096
11 Stocks		
	2022 £	2021 £
Finished goods and goods for resale	238,312	113,853

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	5,498,981	3,837,937
Corporation tax recoverable	18,811	18,811
Amounts owed by group undertakings	928,581	431,587
Other debtors	197,925	154,064
Prepayments and accrued income	50,707	72,637
	<u>6,695,005</u>	<u>4,515,036</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Other debtors	-	19,600
	<u>-</u>	<u>19,600</u>
Total debtors	<u>6,695,005</u>	<u>4,534,636</u>

13 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	15	31,707	30,755
Obligations under finance leases	16	62,745	46,787
Trade creditors		4,987,273	4,088,139
Corporation tax		191,921	130,301
Other taxation and social security		20,430	12,912
Other creditors		3,015	2,420
Accruals and deferred income		1,400	16,283
		<u>5,298,491</u>	<u>4,327,597</u>

Amounts due under finance leases and hire purchase contracts are secured against the assets which they relate to.

14 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	15	10,857	41,183
Obligations under finance leases	16	138,169	112,766
		<u>149,026</u>	<u>153,949</u>

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

14 Creditors: amounts falling due after more than one year

(Continued)

Amounts due under finance leases and hire purchase contracts are secured against the assets which they relate to.

15 Loans and overdrafts

	2022	2021
	£	£
Bank loans	42,564	71,938
Payable within one year	31,707	30,755
Payable after one year	10,857	41,183

The bank loan is secured by a fixed and floating charge over the assets of the company.

Long term debt is in the form of a bank loan. The loan is capital repayment instrument, bearing an interest rate of 2.87% per annum over base rate, maturing on August 2023.

16 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	62,745	46,787
In two to five years	138,169	112,766
	200,914	159,553

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Deferred taxation

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

	Liabilities	Liabilities
	2022	2021
Balances:	£	£
Accelerated capital allowances	93,500	71,750

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

17 Deferred taxation (Continued)

	2022 £
Movements in the year:	
Liability at 1 May 2021	71,750
Charge to profit or loss	21,750
Liability at 30 April 2022	93,500

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	122,978	50,061

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.

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

The shares are non-redeemable, voting shares which carry a right to receive dividends. There is no right to participate in a distribution of capital except on a winding up.

20 Profit and loss reserves

The retained earnings reserve represents the retained earnings of the company after the payment of any dividend.

21 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	70,942	67,033
Between two and five years	118,929	185,383
	189,871	252,416

Potteries Fuels Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	182,750	-

23 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Other related parties	12,856,756	8,406,980	398,828	240,377

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties		
Other related parties	1,065,685	1,158,438

24 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors loan account	-	(72)	223,584	(223,548)	(36)
		(72)	223,584	(223,548)	(36)

Included within other creditors is the above director loan balance.

25 Ultimate controlling party

The ultimate parent company is TMG Fuels Limited, incorporated in England and Wales. Copies of the consolidated accounts can be obtained from the registered office, The Glades, Festival Way, Festival Park, Stoke-on-Trent, Staffordshire, ST1 5SQ.

There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.