applegreen

Annual Report & Financial Statements 2017

17


in every cup of coffee
LAVAZZA

At a glance

Revenue Growth

15.1%

CAGR

2014	2015	2016	2017
€937m	€1,081m	€1,178m	€1,428m

Adjusted EBITDA Growth

20.1%

CAGR

2014	2015	2016	2017
€23.0m	€28.9m	€32.0m	€39.8m

Food & Store Gross Profit Growth

25.2%

CAGR

2014	2015	2016	2017
€57.9m	€76.9m	€92.8m	€113.6m

Site Growth

30.1%

CAGR

2014	2015	2016	2017
152	200	243	342

Established in 1992, Applegreen is a major petrol forecourt retailer with operations in the Republic of Ireland, the United Kingdom and the USA. The Group is pursuing a growth strategy focused on acquiring and developing new sites in each of the three markets in which it operates. As of 31 December 2017, the business operated 342 forecourt sites and employed c 4,900 people.

The Group offers a distinctive convenience retail offering in the forecourt space with three key elements:

- A "low fuel prices, always" price promise to drive footfall to the stores
- A "Better Value Always" tailored retail offer; and
- A strong food and beverage focus aiming to offer premium products and services to the customer

Applegreen has a number of strategic partnerships with international brands including Burger King, Subway, Costa Coffee, Greggs, Lavazza, Chopstix, Freshii and 7-Eleven. The business also has its own food offering through the Bakewell brand.

Applegreen is the number one Motorway Service Area operator in the Republic of Ireland.

Based on its successful strategy the business has delivered very strong growth in particular recording a Compound Annual Growth Rate ("CAGR") of 20% in adjusted EBITDA over the last four years.

Contents

Please click on the relevant sections to view.

25

Celebrating 25 years in operation.

Applegreen celebrated 25 years in operation this year. While this is a significant milestone, it is really a celebration of the success of all Applegreen people, customers and suppliers alike. We are celebrating our people in shops, forecourts, food franchise partners and offices throughout Ireland, the UK and the US, who every day deliver on the Applegreen promise to our customers. Without willing, engaged, and genuine people on the team, and suppliers and service providers with the same high standards, Applegreen would be just another forecourt sign.

When the first forecourt opened in 1992 in Ballyfermot, Dublin, there was no indication that in the future there would be over 340 forecourts and over 4,900 people employed across all our regions, with cafes, food counters and quick serve restaurants, along with unique services unrivalled in other forecourts through our regions.

We marked our 25th Anniversary by giving our customers 25 birthday presents! There were 25 lucky winners of free fuel for a whole year in our August birthday competition. Everyone at Applegreen is immensely proud of all our achievements over the past 25 years as a growing international Irish business. We are equally excited for what the future will bring for our business and look forward to continuing this journey together with our customers, staff and suppliers.


SPECIAL OFFER...
2 FOR €2
VALUE
2 for €1.50

Strategic Report

Our Story

The Group was founded in 1992 by Robert Etchingham (Chief Executive Officer) following the acquisition of its first site in Ballyfermot, Dublin. Mr Etchingham was joined in the business a year later by Joseph Barrett (Chief Operating Officer).Together they have led the growth and development of the business in the intervening period. While the initial years of the Group saw gradual growth (with the number of sites increasing to 24 by the end of 2005), from the outset the focus was always on the development of the retail proposition and the establishment of a quality food offering on its forecourt sites.

The Applegreen brand was successfully launched in 2005 and the Group has subsequently expanded at a rapid rate. Site numbers reached 75 by the end of 2010 and 342 by 31 December 2017.

In 2017, the Group completed two significant acquisitions; the Brandi Group, a 42 site retail operation based in Columbia, South Carolina and the Carsley Group, a seven site forecourt retail operation based in the UK. Prior to this, the growth in the Group's site numbers has predominately been as a result of single site or small group acquisitions.

2005

24

Stations

Petrogas launches the Applegreen brand.

2008

53

Stations

Opens first forecourt in UK.

2009

64

Stations

Distribution Centre opens.

2013

119

Stations

Completes refinance of business
Acquires 4 MSA sites in NI.

New brands: Subway

2014

152

Stations

Fuel card and dealer offering launches.
2 sites open in the USA.

2015

200

Stations

Completes successful IPO.

New brands: Chopstix, Lavazza, Greggs

The Applegreen brand was successfully launched in 2005 and the Group has subsequently expanded at a rapid rate.

2010

75
Stations

Opens 6 Motorway Service Areas (MSA). Outsources transaction processing to EXL in India.

New brands: Costa, Burger King

2011

81
Stations

Launches loyalty card programme.

2012

95
Stations

157,000 loyalty card holders.

2016

243
Stations

Opens award winning Lisburn site in NI.

New brands: Freshii, 7-Eleven

2017

342
Stations

Completes Brandi Group acquisition in South Carolina and Carsley Group acquisition in the UK.

Locations

The Group's site categories can be described as follows:

Service Area Sites

Motorway Service Areas ("MSA") are the Group's largest sites situated on motorways that, alongside the retail proposition, operate three or more food and beverage offerings from a combination of its own food brand, Bakewell and international brands including Costa Coffee, Burger King, Subway, Chopstix and Greggs. In addition, the Group operates **Trunk Road Service Areas ("TRSA")**, which are located on major roads. These are large sites, typically brown/green field developments, close to heavily trafficked or urban routes that have a big plot size and ample parking. The sites contain high end stores with an attractive ambience. They have a relevant retail offering with Applegreen brand produce and a limited chilled/ambient grocery offering alongside a cafe environment with one to three food and beverage offerings. As of 31 December 2017, the Group operated a total of 41 Service Area sites (including 12 MSA sites), of which 30 were located in the Republic of Ireland and 11 in the United Kingdom. Six of our MSA sites in the Republic of Ireland are operated under 25 year licences from Transport Infrastructure Ireland ("TII").

Ireland

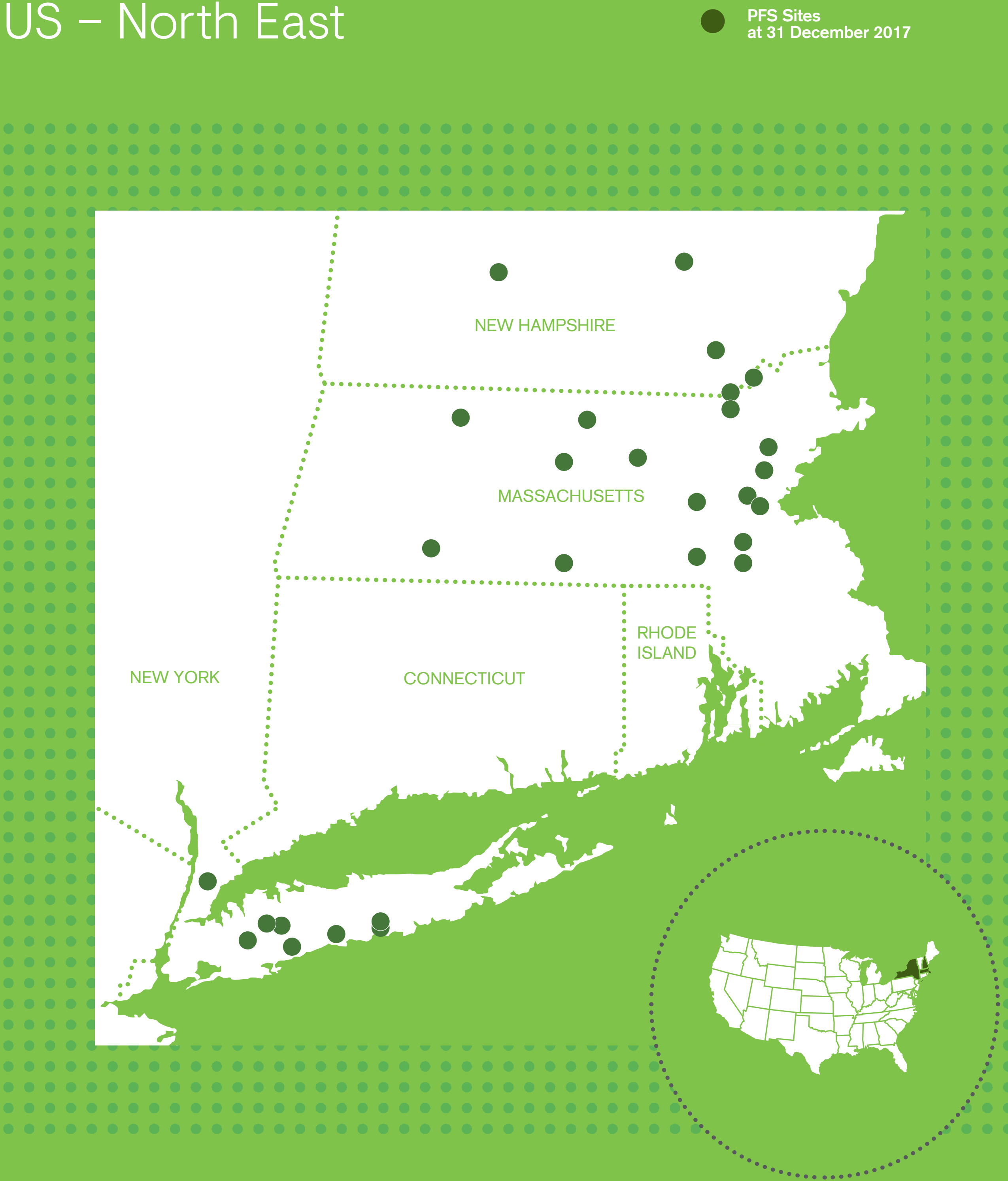
UK

Petrol Filling Stations ("PFS")

The Group operates both company-owned and dealer PFS sites. As of 31 December 2017, the Group operated 301 sites categorised as Petrol Filling Stations of which 147 were located in the Republic of Ireland (87 company owned PFS sites and 60 dealer PFS sites), 86 in the United Kingdom and 68 in the United States.

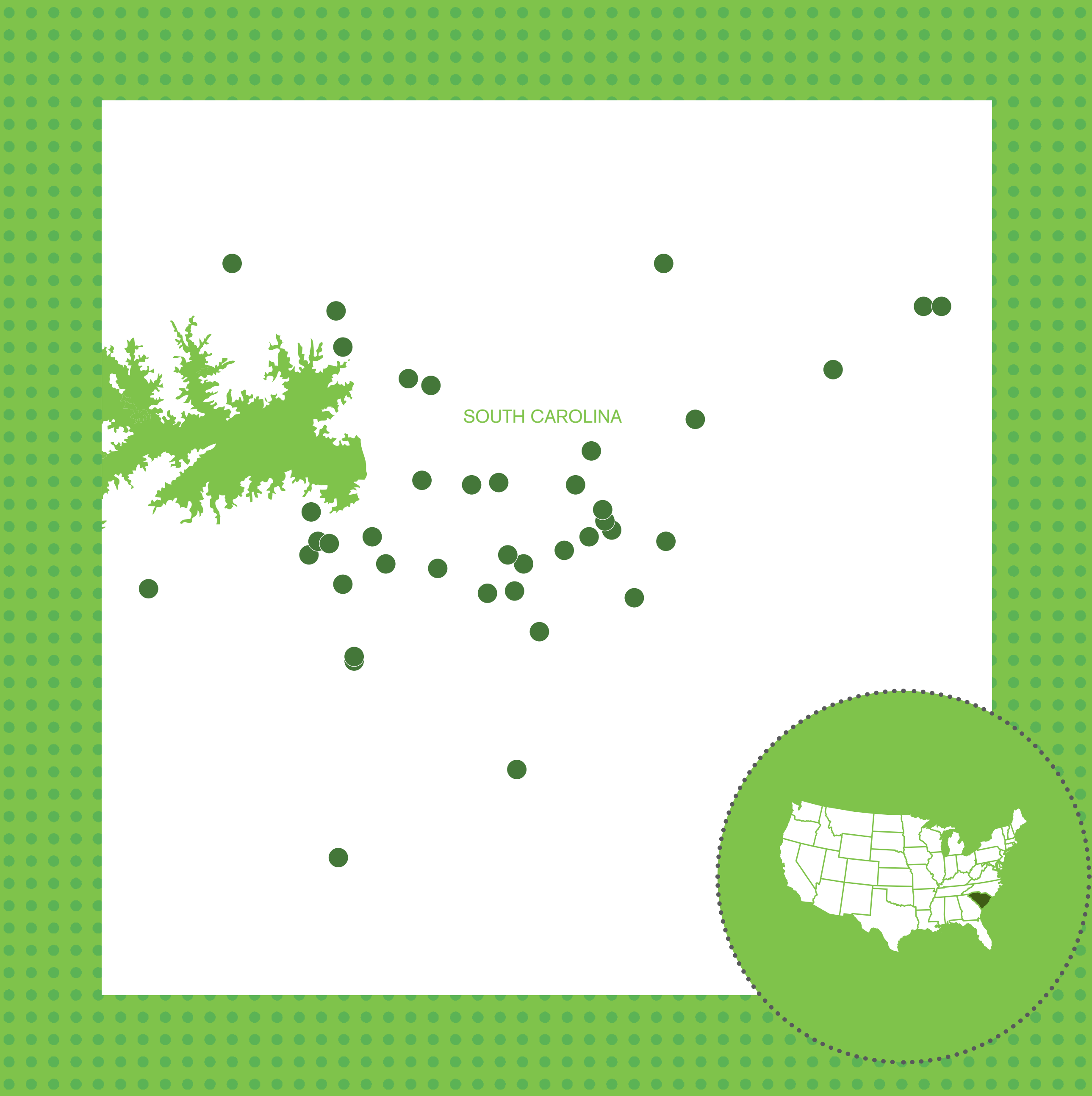
Almost half of the Group's current company-owned PFS estate is operated under the Applegreen brand name. Applegreen branded sites have received significant investment in particular, where there is a high quality food proposition based around its own food brand, Bakewell, and/or an international brand such as Subway. The retail proposition is built to reflect the local demographic.

US – North East



US – South East

PFS Sites
at 31 December 2017



Our Business Model

Applegreen operates a distinctive retail-led business model which has been built around a very clear value proposition and by being attentive to the needs of our customers.

We create value for all our stakeholders:

€113m
Capital expenditure in 2017.

c.4,900
Applegreen employees in Ireland, UK and US.

99
New sites added in the year, accelerating our US expansion, with 68 sites at year end.

24.6%
Increase in gross profit on 2016.

€2.4m+
Money raised for our partnership charities since 2009.

Key strengths that facilitate the successful roll-out of the business model:

01
A strong entrepreneurial culture in the business

02
A trusted fuel source – Applegreen fuel meets the British Standards Number I.S. EN 590:2004 and IS Number: I.S. EN 228:2008

03
A strong heritage in food developed over many years operating both own-brand and internationally branded food concessions

04
A distribution capability whereby the majority of non-fuel products in Ireland are supplied through our own distribution centre

05
A strong and compelling Applegreen brand generating high levels of customer loyalty

06
Strong financial discipline and a focus on our three key financial metrics – EBITDA growth, Return on Capital Employed and Cash Conversion

Applegreen aims to offer low fuel prices in each locality in which it operates, which drives fuel volumes and footfall to its retail and food and beverage offering.

A "low fuel prices, always" price promise to drive footfall to the stores

LowFuelcard
Most competitive fuel card on the market – no card fees or hidden charges.

We operate different site categories:

Service Area sites ("SA")

Motorway Service Areas ("MSA") are the Group's largest sites that, alongside the retail proposition, operate three or more food and beverage offerings. Trunk Road Service Areas ("TRSA") are located on major roads and operate one to three food offerings. All Service Areas are branded as Applegreen.

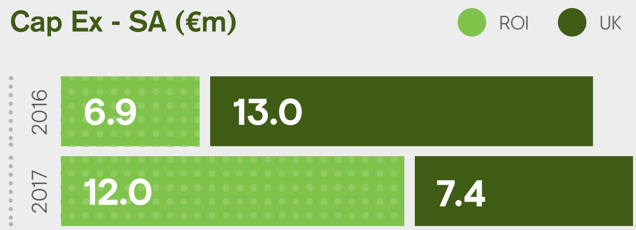
Our site identification capability is complemented by an in-house new site development team

Petrol Filling Stations ("PFS")

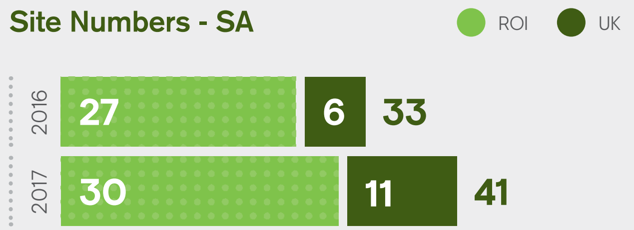
Applegreen branded
If it is appropriate and practicable at a site and if it meets the Group's minimum return hurdle rates, the Group will invest in upgrading and rebranding the location to its premium Applegreen brand. There is an ongoing programme of investment in the estate that will continue across each territory.

Other brand
On completion of the acquisition of a new PFS site, the site is typically rebranded on the forecourt canopy as a "low fuel prices, always" site requiring minimal capital expenditure.

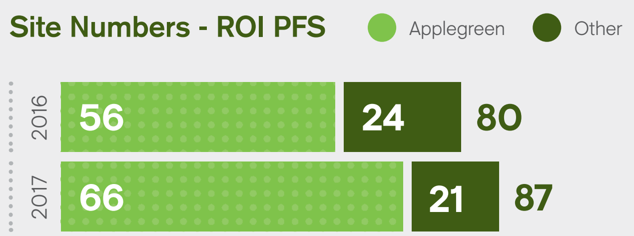
Cap Ex - SA (€m)



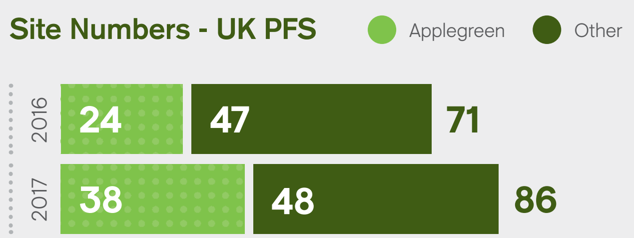
Site Numbers - SA



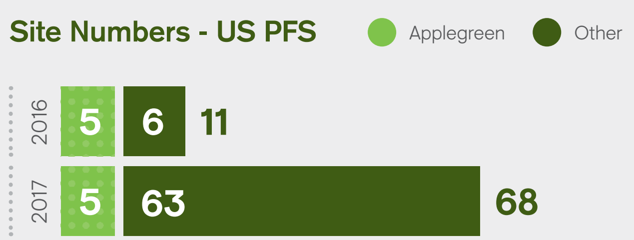
Site Numbers - ROI PFS



Site Numbers - UK PFS



Site Numbers - US PFS



Food Offerings as of 31 December 2017

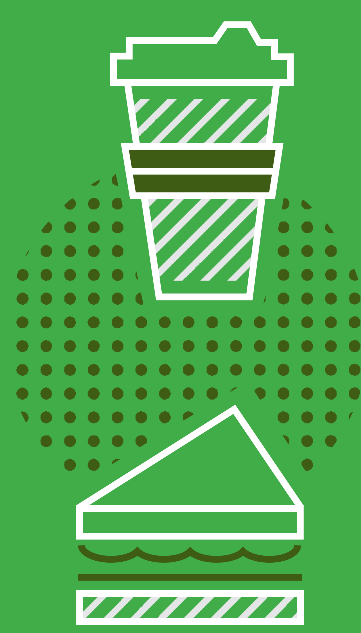
Burger King	38
The Bakewell	83
Costa	18
Lavazza	7
Subway	81
Chopstix Noodle Bar	9
Greggs	9
freshii	4
OTHER	11

A "Better Value Always" tailored retail offer

The Group's retail proposition aims to provide strong value to its customers.

A strong food and beverage focus

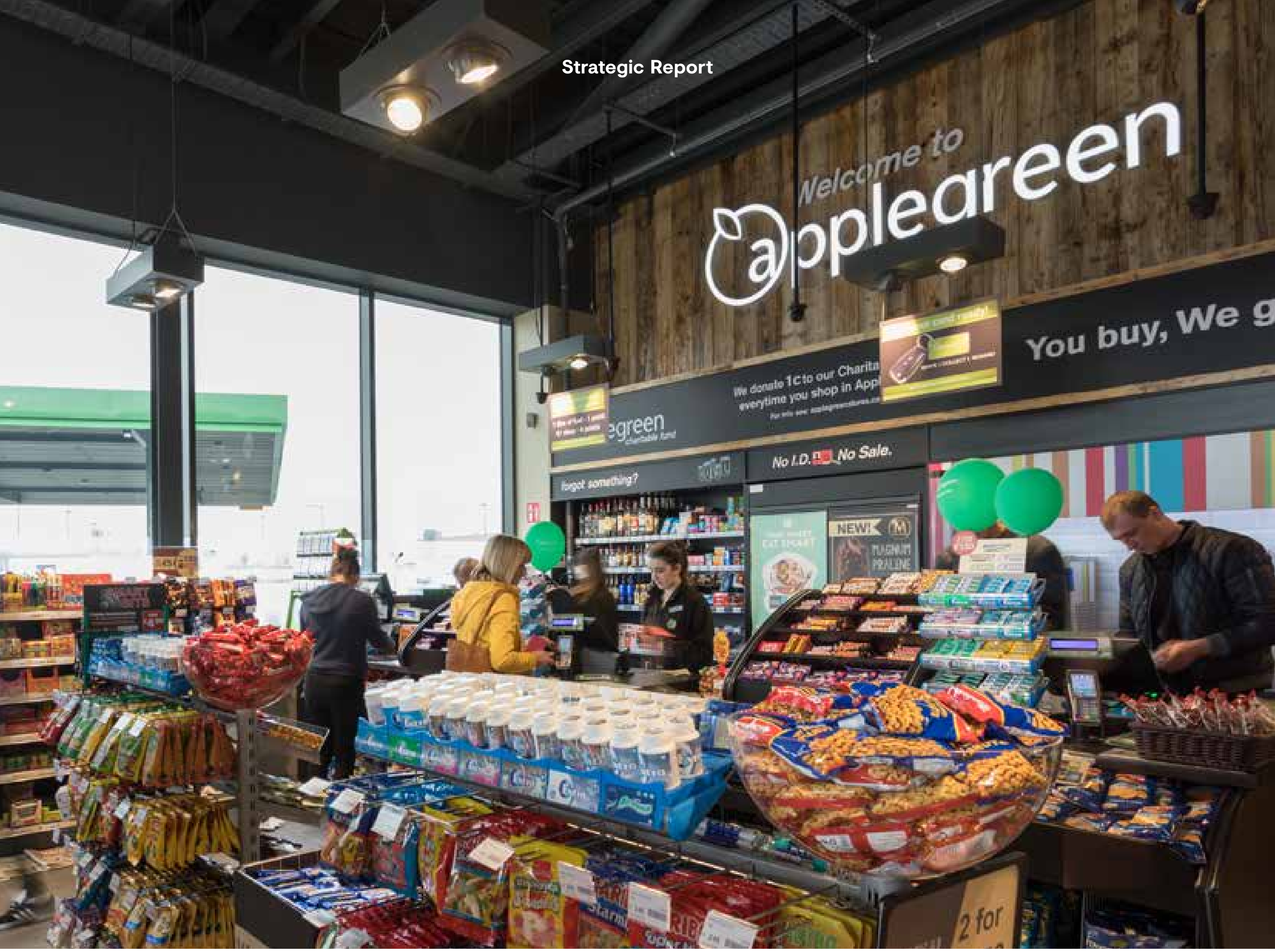
Applegreen aims to provide a premium food and hot beverage offering at all its sites. This is delivered through Applegreen own brand products combined in a number of locations with international brands.



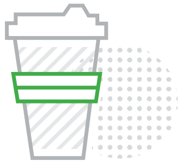
Our Growth Strategy

Applegreen is committed to expanding its estate across each of the territories in which we operate and our growth strategy encompasses four main pillars:

Pillar	Description
Upgrade and rebrand existing network 	As of 31 December 2017, 88% of the estate in ROI and 51% of the estate in the UK were branded as Applegreen sites (the Group's premium brand). On completion of the acquisition of a new PFS site, the site is typically rebranded on the forecourt canopy as a "low fuel prices, always" site requiring minimal capital expenditure. If it is appropriate and practicable at a site and if it meets the Group's minimum return hurdle rates, the Group will invest in upgrading and rebranding the location to its premium Applegreen brand. There is an ongoing programme of investment in the estate that will continue across each territory. A different approach is taken in the US where the majority of sites are operated under a third party fuel brand. Here we have partnered with 7-Eleven to operate 7-Eleven convenience stores in selected sites with two opened to date and a number of others approved for conversion.
Expand the PFS estate in ROI and increase the rate of expansion in the UK and the US 	Applegreen plans to accelerate the expansion of its estate in the UK and the US as well as continuing to develop its network in the Republic of Ireland. The Group has dedicated personnel in each of its territories whose sole focus is the identification of potential sites to be added to the estate. Opportunities are developed from the Group's existing network of contacts as well as brokers and intermediaries operating in the sector.
Development of Service Area sites in ROI and UK 	Applegreen plans to develop further Service Area sites in the Republic of Ireland and the UK. The Group's dedicated site identification capability, explained above, is complemented by an in-house new site development team (again focused on each territory). They develop and progress applications with local governmental and regulatory authorities and deliver the construction programme directly.
Group acquisitions 	During 2017, the Group made two large group acquisitions; the Brandi Group, a 42 site retail operation based in Columbia, South Carolina and the Carsley Group, a seven site forecourt retail operation based in the UK. The Group will consider making larger acquisitions of groups of sites as and where they become available and if they are in the best interests of the Group.



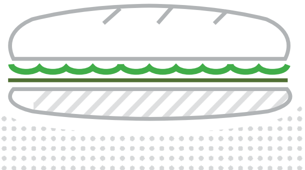
2.8m



We sold approx 2.8 million litres of Applegree coffee, it takes 2.5 million litres to fill an Olympic size pool.

1.17m

We sold 1.17m baguettes. Laid out end to end they would stretch from Dublin to Limerick (202 km).



3.5m+

We sold 3.57m litres of milk.

Chairman's Statement

I am delighted to introduce the annual report and financial statements of Applegreen plc for the financial year ended 31 December 2017, a year which marked the 25th anniversary of the Group.

Development

2017 has seen significant growth with 99 sites added during the course of the year and a total capital expenditure investment of €113.0m. The combination of these new sites coming on stream together with good growth from our existing outlets has resulted in Adjusted EBITDA increasing by 24.4% to €39.8m (2016: €32.0m). This performance reflects the strength of the Applegreen business model, the significant group acquisitions made during the year and the hard work and dedication of all our staff. Our core proposition is to offer a distinctive convenience retail offering and I continue to be impressed by the focus and energy I have seen at all levels of the business in contributing to that proposition.

During the year we completed two significant group acquisitions, Brandi and Carsley, along with the acquisition of a 50% interest in the Joint Fuels Terminal in Dublin Port. These acquisitions have been successfully integrated into the Group and represented a significant acceleration in the growth of the business in 2017.

Board

During the year, the Board devoted considerable time to the Group's acquisition strategy and to our strategic and operational plans for the operation and development of our business. Full details of our approach are set out in the Corporate Governance Statement on pages 50 to 53.

I would like to thank each member of the Board for their commitment during the year and I look forward to continuing to work with them for the benefit of the Group in the coming year.

Management and employees

On behalf of the Board, I would also like to take this opportunity to thank the entire management and staff of Applegreen for their continued hard work, energy and innovation over the past year and we look forward to their ongoing contributions in the years ahead. It has been another very busy and demanding year as we further the growth in the business and this again underlines that our success is driven by the dedication and commitment of all these people.

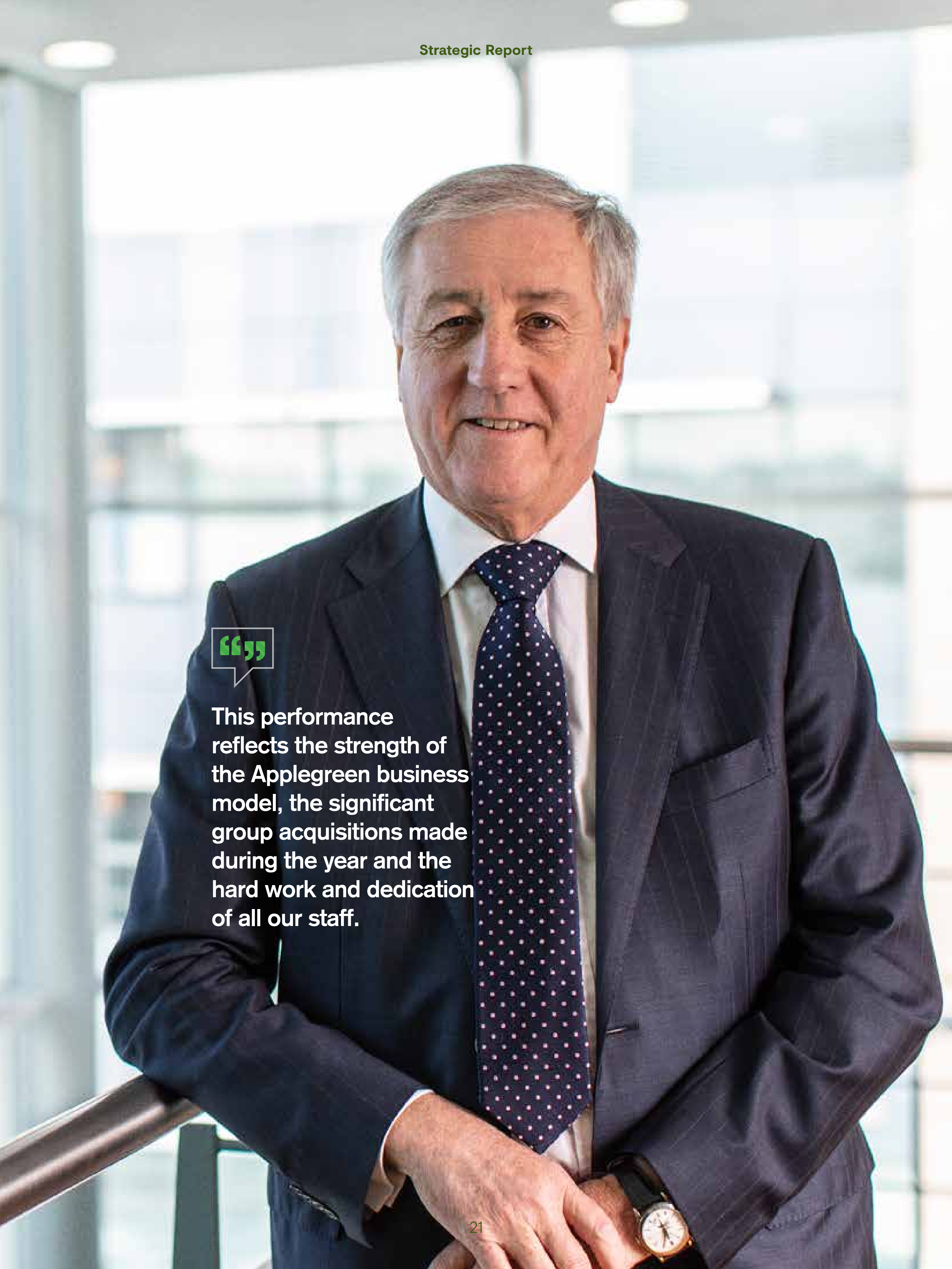
Outlook

We are confident in the continued growth and success of our business in 2018. The sector continues to see ongoing consolidation in highly fragmented markets and we have a strong pipeline of opportunities in each of our three territories. We remain committed to our development strategy in 2018 which, together with continued focus on evolving our business model and maximising the potential from recent acquisitions, positions us well to continue to grow profitably.

On behalf of the Board, I would like to thank you, our shareholders, for your continued support.

Daniel Kitchen
Chairman

19 April 2018



This performance reflects the strength of the Applegreen business model, the significant group acquisitions made during the year and the hard work and dedication of all our staff.

Chief Executive's Review

2017 has been a year in which Applegreen delivered strong growth in revenues, gross profit and profit before tax. We also focused on further expansion of the Applegreen business, particularly outside of our core market of the Republic of Ireland, and of course celebrated the 25th anniversary of the Group. We entered a new market in the south east of the United States with the acquisition of Brandi, a 42 site group based in South Carolina.

2017 Financial Highlights

2017 saw continued good levels of growth in profitability across all our business lines and territories. This resulted from a combination of the continued expansion of our estate, ongoing investment in upgrade and rebranding activities, strong like for like growth and diligent cost control.

The main highlights were as follows:

- Turnover of €1.4 billion
- 24.6% increase in gross profit (27.0% in constant currency)
- Adjusted EBITDA increasing by 24.4% to €39.8m in the year from €32.0m in 2016 (26.0% in constant currency)
- Expansion of the estate by 99 to 342 sites as of 31 December 2017
- Continued investment in the development of the estate with total capital expenditure of €113.0m
- Delivery of strong cash conversion resulting in a net debt position as of 31 December 2017 of €10.2m
- Final dividend proposed of 0.80 cent per share

2017 saw continued good levels of growth in profitability across all our business lines and territories.

Joseph Barrett
Chief Operating Officer

2017 Operating Highlights

Under the leadership of Chief Operating Officer, Joseph Barrett, I am pleased to say that the breadth and scope of our operations developed significantly during the period, in particular with the acquisitions of the Brandi and Carsley Groups, both completed in October 2017. The Brandi acquisition involved the takeover of a forecourt retail operation in Columbia, South Carolina with 34 PFS sites and eight stand-alone Burger King restaurants. The Carsley acquisition involved the takeover of seven PFS sites in the UK, a number of which offer potential to develop into Service Areas. Additionally we completed the acquisition of a 50% interest in the Joint Fuels Terminal (JFT) in Dublin Port in July 2017. The terminal is operated under a joint agreement with Valero Energy (Ireland) Limited. The JFT is on a 20 acre site with storage capacity of 60,000 tonnes.

The manner in which our operations developed is set out by region as follows.

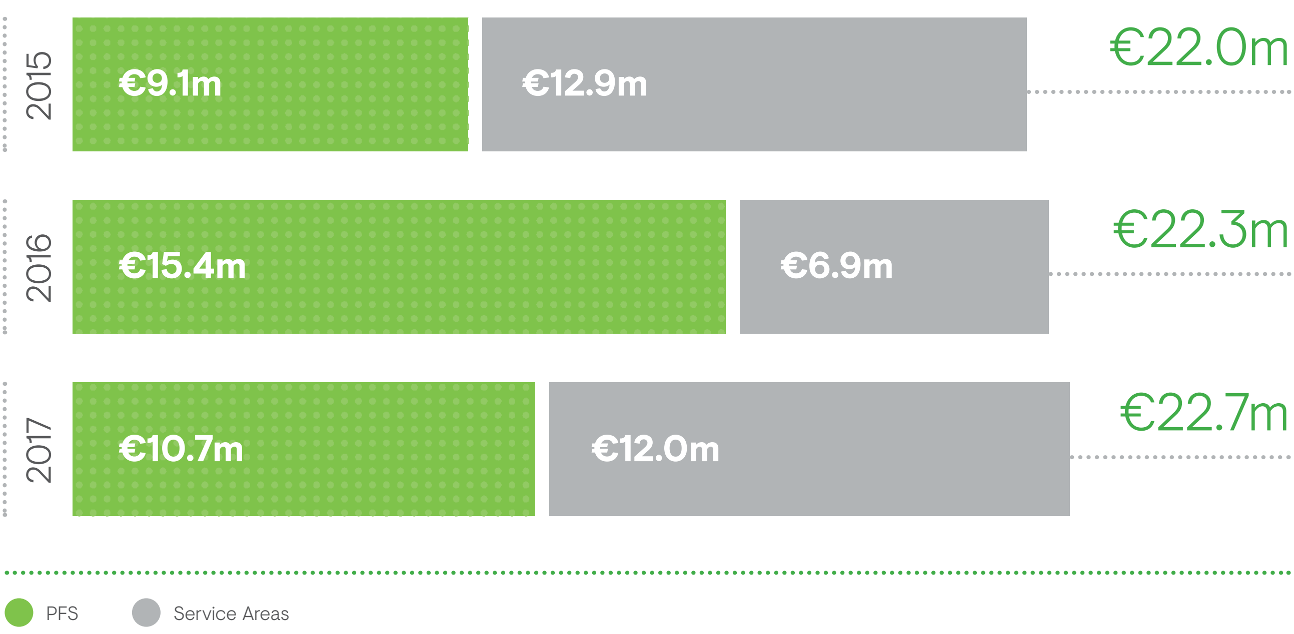
Republic of Ireland ("ROI")

ROI continues to be our core market and contributed 66% of our total gross profit in 2017. At the end of December 2017 we operated 177 sites in the region comprising 30 Service Area sites, 87 company owned PFS sites and 60 dealer PFS sites. The Service Area ("SA") network comprises 30 sites in ROI including 9 MSAs, 6 operated under 25 year licence from Transport Infrastructure Ireland ("TII").

During the year we opened two new Service Areas and one existing PFS was upgraded to a Service Area. Eight sites were rebranded or upgraded incorporating at least one new food offerings in all cases. 88% of ROI sites are now branded Applegreen.

The retail team continued to develop our partnerships with international brands in the ROI with 19 new food offerings opened during the year. As of 31 December 2017, there were 84 branded food offerings in the ROI.

Cap Ex - ROI



Total fuel gross profit increased by 21.1% compared to 2016 and increased by 13.5% on a like for like basis. This reflected the impact of a strong fuel margin environment in the first part of the year as well as the impact of the JFT acquisition in the latter part of the year.

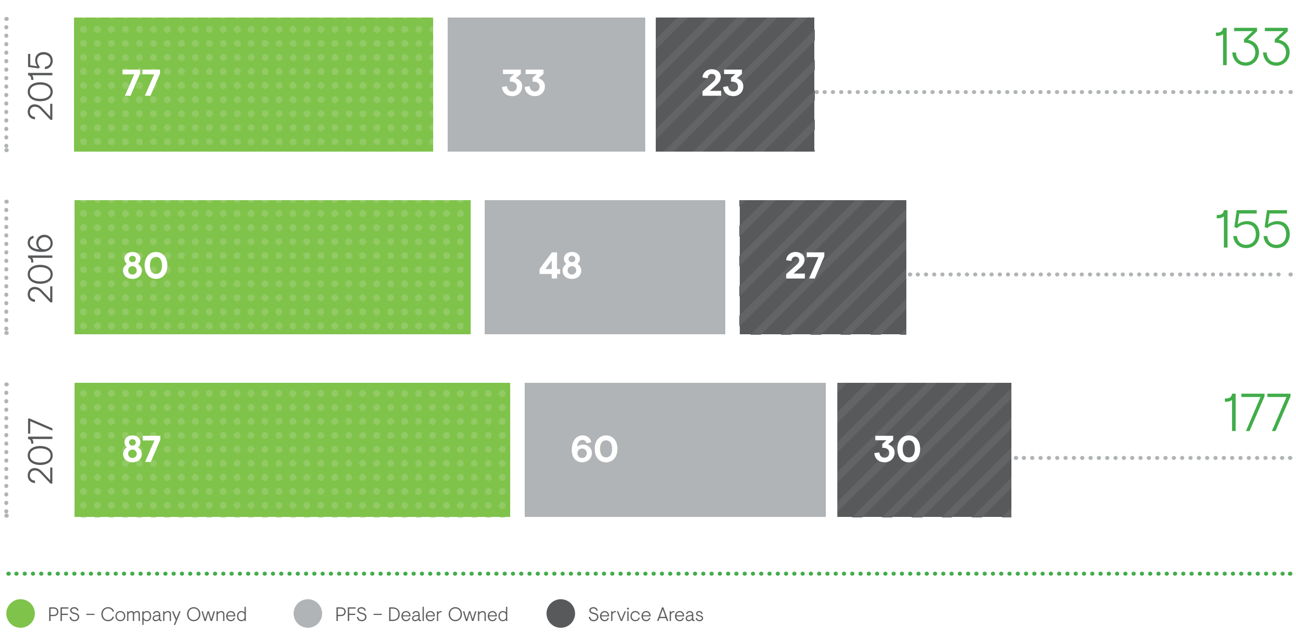
Like for like food and store sales increased year on year by 4.6% and related gross profit grew by 7.8%.

The Dealer and Fuel Card businesses have continued to show significant growth, contributing positively to the Group EBITDA and together they account for 28% of ROI fuel volumes. A total of 12 new dealer PFS sites were signed up in 2017. These categories are projected to show continued growth in 2018 and the Fuel Card business line has been expanded into the UK market.

21%

Total ROI fuel gross profit increased by 21.1% compared to 2016 and increased by 13.5% on a like for like basis.

Site Growth - ROI



United Kingdom

The UK business accounted for 26% of total gross profit in 2017. It continues to represent a significant area of focus for our future expansion and we are strengthening further our operational and development resources in this region.

Revenue in the UK increased by 22.4% and gross profit by 19.7% largely due to the continued expansion of the estate (30.9% and 28.0%, respectively, on a constant currency basis).

Non-fuel revenue and gross profit grew by 15.2% and 20.6% respectively during the year. On a like for like constant currency basis, non-fuel sales were 0.3% ahead of the same period last year while related gross profit grew by 4.2% reflecting good growth in food.

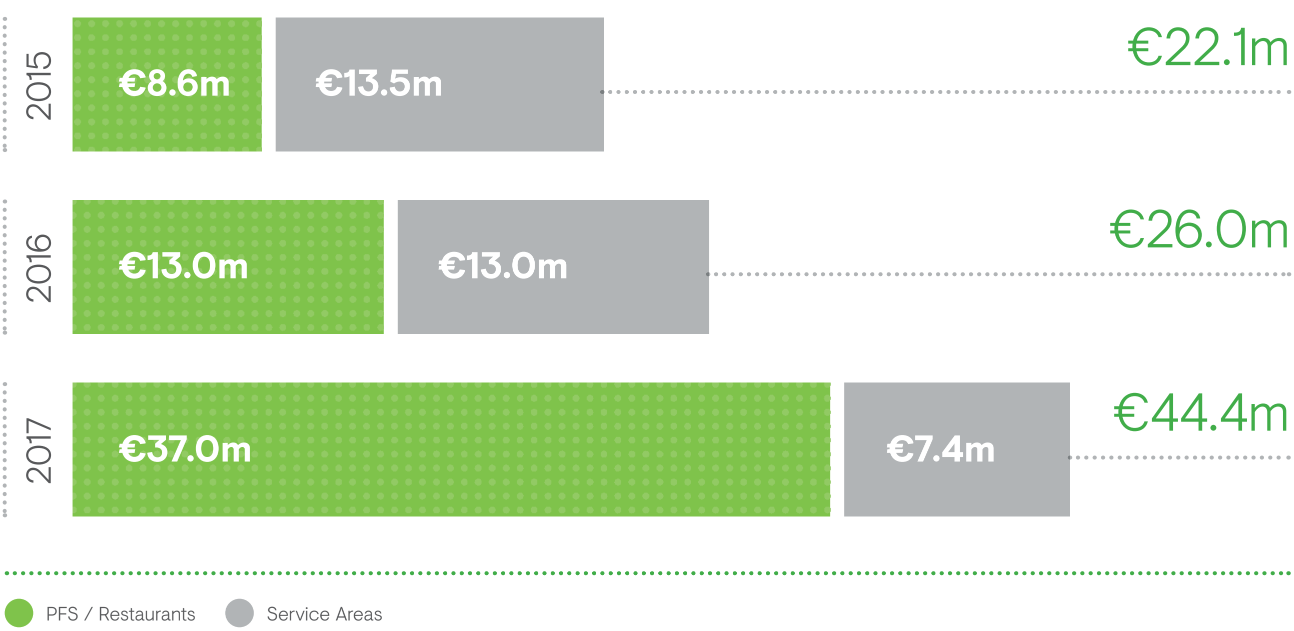
Total fuel gross profit grew by 18.6% and increased by 4.1% on a like for like constant currency basis, driven primarily by a stronger fuel margin environment in the early part of the year.

At the end of the year we were operating 97 sites in the UK comprising 11 Service Area sites and 86 PFS. The group opened five new Service Areas in the UK including one new Motorway Service Area in Lisburn, Northern Ireland, one new build TRSA in Spalding (A14) and the conversion of three PFS sites to TRSAs, including a major redevelopment in Spaldwick. 15 new PFS were added in the UK during the year and seven existing stations were rebranded and expanded through the addition of new food offers. 51% of our UK estate is now branded Applegreen. We are building a good pipeline of Service Area opportunities in the UK, which are at various stages of the planning process.

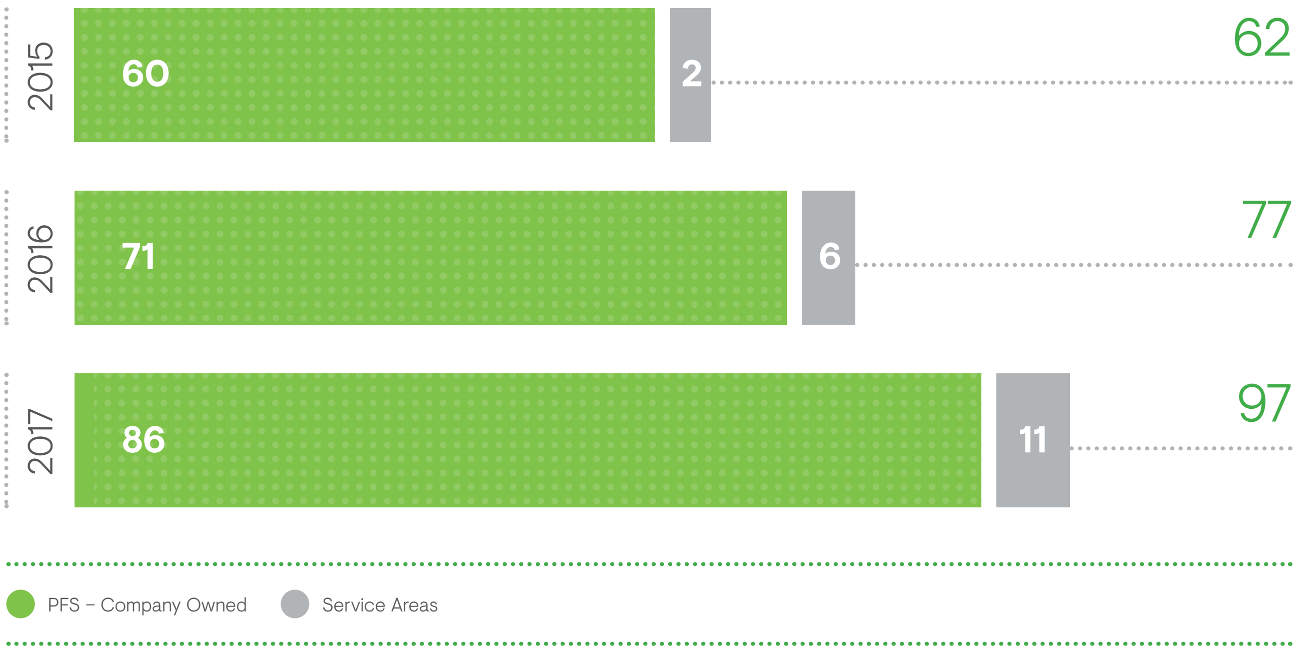
We have continued to develop our relationship with Costa Coffee in the UK and opened six additional Costa Coffee Cafés during 2017, one in our new site in Spalding and five as part of existing site upgrade and rebranding activities.

In October 2017 we completed the planned acquisition of a network of seven Petrol Filling Station sites from the Carsley Group. The sites are well located on very busy roads with a number situated on the A1 which is a major arterial route. The transaction expands our service area potential in the UK.

Cap Ex - UK



Site Growth - UK



USA

During the period the Group added 57 new sites in the USA, 42 in South Carolina and 15 in the North East.

In October 2017, we completed the acquisition of the Brandi Group sites which involves Applegreen leasing the properties from Getty Realty. The estate consists of 34 PFS, 11 of which have Burger King restaurants attached and eight further standalone Burger King units, together with other food-to-go offers.

In the North East, 12 of the new sites were acquired under our master agreements with CrossAmerica Partners. This now brings the total number of trading forecourts in the North East USA to 26 as of 31 December 2017.

Network Development

The Network Development division is led by Eugene Moore and comprises two main areas of activity. Firstly there is a team involved in identifying, appraising and acquiring new outlets, whether existing stations or green field opportunities. The other element of the team is involved in the project management of new builds on greenfield sites and the redevelopment of existing sites. We had another successful year in that regard, opening 38 new company-operated sites during 2017, excluding the impact of the Brandi and Carsley acquisitions. In addition we completed 18 upgrades/rebrands during the period.

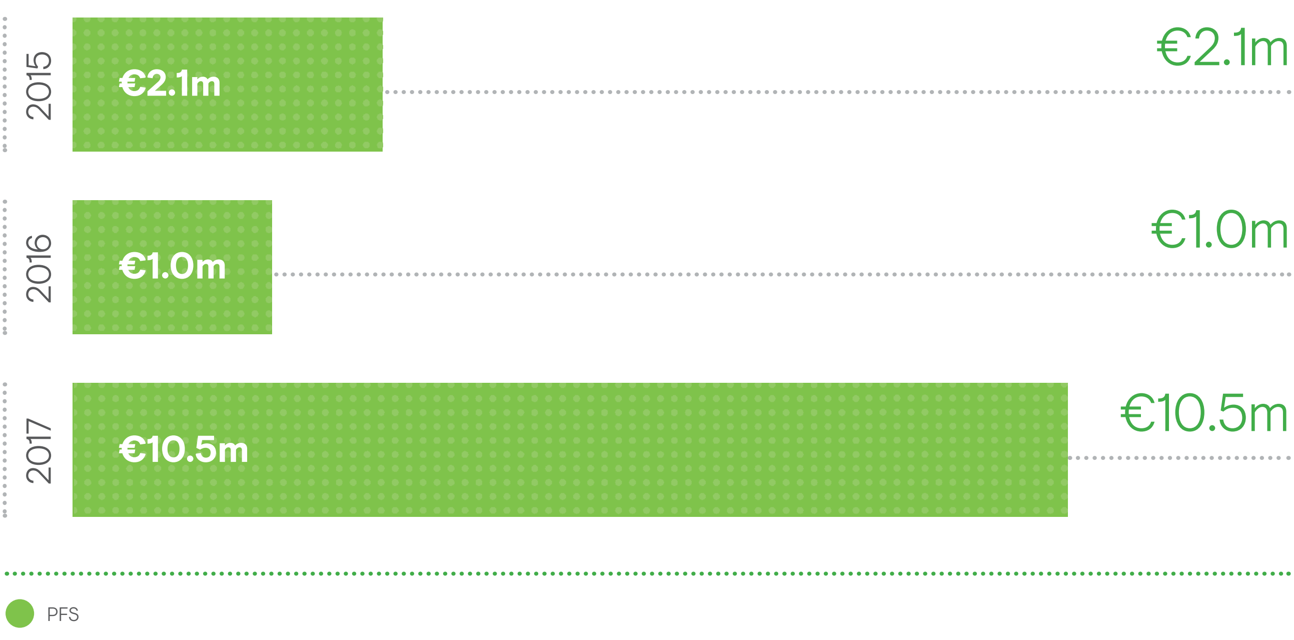
Our People

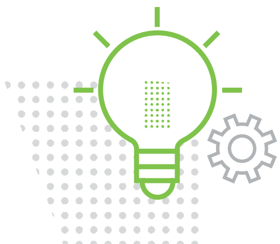
We are fortunate to have a loyal and committed workforce in Applegreen whose skills, expertise and passion have helped fuel the growth of the business over the years. I would like to take this opportunity to thank all of our employees for their hard work and dedication to the Group and I look forward to continuing to work with you all as we set out on the next chapter of the Applegreen story.

Our highly regarded Management Development Programme ("MDP") continues to attract a steady flow of new recruits to the organisation and ensures a pipeline of new talent into the retail community.

During 2017 we took further steps to add to our senior management team in anticipation of the growth in our business in the future.

Cap Ex - USA





Outlook

We continue to develop our network in 2018 adding 11 sites in the year to date. In the Republic of Ireland we have opened a new Service Area in Meath. We also opened seven Petrol Filling Stations in the UK and three in the US.

We have a strong pipeline of further developments of both Service Area sites and Petrol Filling Stations across our markets.

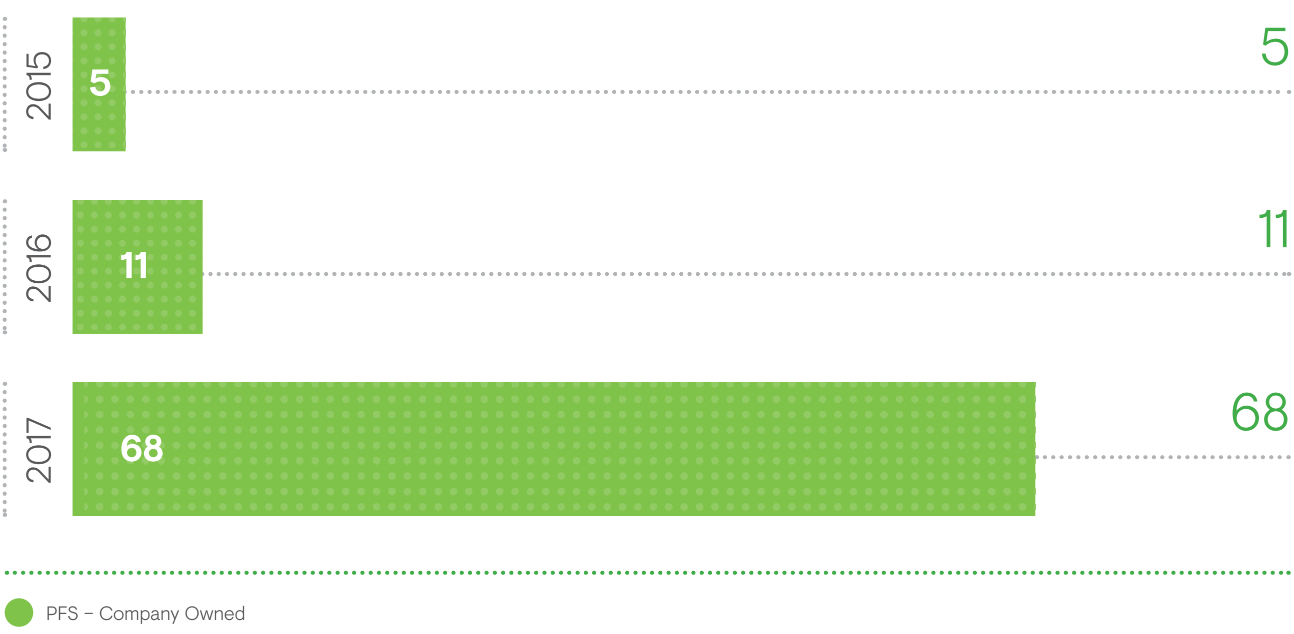
General consumer sentiment has continued to be positive, particularly in Ireland, and our robust business model should see us benefit from these positive underlying economic trends. The UK has also begun the year positively and whilst mindful of the elevated uncertainties created by the Brexit process, we expect to continue to grow our operations there during the year.

We remain confident in our ability to deliver on our growth targets for 2018. We continue to see high levels of transaction activity in our sector across our three markets. We are in the process of integrating the larger scale acquisitions successfully completed during 2017 and are well positioned to identify further expansion opportunities in the coming year. We remain confident in the prospects for the business in 2018 as we further evolve our growth strategy.

Robert Etchingham
Chief Executive Officer

19 April 2018

Site Growth - USA



Corporate Social Responsibility

Corporate Social Responsibility is an important part of Applegreen's business and something we take very seriously. We are proud of the work we are doing with our communities and our nominated charities.

Since 2009, Applegreen's desire to give back to the local communities in which we operate has become an inherent part of the Group's culture. The commitment to our chosen causes and the access of engagement from staff and customers has produced very effective and ultimately successful partnerships over the years.

The Charitable Fund consists of employees from all areas of the business, from service stations to head office staff. The Charitable Fund was set up in December 2009 to 'give back' to the communities in which Applegreen operates throughout Ireland. Throughout the year head office staff and stores organise events to raise awareness, volunteer days and raise funds including static cycles, fun runs, sky dives and marathons for example. The **You Buy, We Give** initiative, grows year on year whereby every time a customer makes a shop and fuel or a shop-only purchase, in Applegreen in Ireland, the company donates 1c/1p to the Applegreen Charitable Fund at no extra cost to the customer.

Funds are also donated through coin collection boxes placed in all Applegreen Service Stations and events co-ordinated by the Applegreen Charity Committee. The Charity Committee was formed with representatives from all levels of the Group and the majority of the Committee work on a voluntary basis. The Committee co-ordinates fundraising events such as marathons, sponsored walks and cycles as well as the Annual Applegreen Charity function to raise additional funds.

During 2017 we reached a milestone €2 million raised for our Applegreen Charitable Fund, making a crucial contribution to vital children and adult charity services nationwide. Since January 2016, over €1 million alone has been raised for current charity partners Debra Ireland, Barnardos, ISPCC Childline and Northern Ireland Children's Hospice. The support from Applegreen fundraising has been invaluable to the service users and their families who receive support from these charities.

To date the fund has raised a total of €2.4m of which €1.3m came directly from the 1c contributions, and the remaining €1.1m from donation boxes at the tills and local, national and corporate events.

Awards

Applegreen was delighted to win the Chambers Ireland, Excellence in Community partnership with a charity Award in September 2017. The CSR Awards are an important annual recognition of the best practice of Corporate Social Responsibility work taking place across Ireland.

Charity partners

Having worked with a number of charities including CMRF Crumlin and Anam Cara for 2014 and 2015, the charity committee selected Barnardos, Debra Ireland, ISPCC Childline and Northern Ireland Children's Hospice as the charity partners for 2016 and 2017. We also worked with Dreams Come True in the UK in 2016.

As of 31 December 2017 the arrangements in place with these charities reached the end of their partnership term, and as we enter 2018 we have selected new charity partners to support on similar terms for 2018 and 2019.

Barnados

The Barnados Tús Maith Programme is an early years care and education programme for children aged 3-5 years, with an overall outcome of ensuring that children are ready for school. To date over 150 pre-school aged children living in disadvantage have been able to attend an intensive Barnardos Early Years development and school readiness programme to support their social, literacy and behavioural skills enabling them to join and succeed in school. The additional long-term benefits of this support include improved school completion and future employment prospects.

ISPCC Childline

The ISPCC provides unique support services for children and young people through Childline. The two-year partnership has supported Childline to recruit, select, train and manage over 60 Childline volunteers. These volunteers will answer over 90,000 calls from children all over Ireland. Many of these children feel scared, sad and lonely. Applegreen has ensured Childline is there to answer these calls – to give these children hope, to listen to and support them.

Community

Applegreen support and sponsor several community groups ranging from local children's football teams through to activity day camps for children with learning disabilities. The aim is to encourage community spirit within our Applegreen stores and the surrounding areas.

Northern Ireland Children's Hospice

In Northern Ireland Children's Hospice, the Applegreen funding has paid for the salary of three specialist children's palliative care nurses helping support the lives of three hundred babies, children and young people with life-limiting illnesses.

Debra Ireland

The EB Community Care Program will mean parents will have access to an outreach service, leaving no gap between hospital and home. Applegreen's donations have supported projects such as an EB Outreach Nurse and family support services tailored to individual families in their own homes.

For more information on The Applegreen Charitable Fund visit www.applegreenstores.com/ie/csr/charitable-fund .

Financial Review

It gives me great pleasure to present the Financial Review for 2017 which was another year of strong growth for Applegreen. Adjusted EBITDA increased by 24.4% (26.0% on a constant currency basis) as a result of continued investment in the expansion of the estate, good like for like growth and the completion of a number of larger scale acquisitions during the year.

Results Summary

	2017 €m	2016 €m	% growth
Revenue	1,428.1	1,177.6	21.3%
Gross Profit	181.7	145.8	24.6%
Selling & Distribution Costs	(100.1)	(80.4)	24.5%
Administrative Expenses *	(25.8)	(20.8)	24.0%
Other Income	2.2	1.2	83.3%
Adjusted EBITDAR *	58.0	45.8	26.6%
Rent	(18.2)	(13.8)	31.9%
Adjusted EBITDA *	39.8	32.0	24.4%
Depreciation, Amortisation and Impairment	(14.1)	(11.5)	22.6%
Net Finance Expense	(1.1)	0.5	(320.0%)
Adjusted Profit before Tax *	24.6	21.0	17.1%

* Adjusted for share based payment expense €1.6 million (2016: €1.4 million) and other non-recurring charges €1.0 million (2016: €nil). See note 8 in the financial statements.

Revenue grew by 21.3% driven primarily from ongoing growth in site numbers, including the larger acquisitions of the Brandi Group and the Carsley Group, both of which completed in October 2017, and continued strong like for like revenue growth across each of our three revenue streams. The Brandi acquisition involved the takeover of a forecourt retail operation based in Columbia, South Carolina with 34 PFS sites and eight standalone Burger King restaurants. The Carsley acquisition involved the takeover of seven PFS sites in the UK, a number of which offer potential to develop into larger Service Area facilities.

Gross Profit increased by 24.6% over the prior year to €181.7m resulting from ongoing site expansion, strong like for like growth in both fuel and non-fuel gross profit, together with continuing upgrading and rebranding activity. Total gross profit on a like for like basis (at constant currency) grew by 8.2% over 2016.

Selling and Distribution Costs are primarily our store based costs and these grew in line with the scale of the business and also incorporate the impact of statutory wage increases in both the ROI and the UK. Administrative Expenses are driven by business growth and continued investment in management capacity across the Group.

Depreciation, Amortisation and Impairments grew by €2.6m which reflects the elevated level of capital expenditure supporting the ongoing expansion of the Group. The prior year Net Finance Expense was a credit due to the impact of a foreign exchange gain recognised on the retranslation of Sterling denominated debt.

21.3%

Revenue grew by 21.3% driven primarily by ongoing growth in site numbers

Analysis by product and geography segment

	2017 €m	2016 €m	Growth %	LFL Constant Currency Growth % *
Fuel Revenue	1,145.1	937.5	22.1%	5.2%
Food Revenue	103.7	85.2	21.7%	6.5%
Store Revenue	179.3	154.9	15.8%	2.5%
Total Revenue	**1,428.1**	**1,177.6**	**21.3%**	**5.0%**
Fuel Gross Profit	68.1	53.0	28.5%	9.8%
Food Gross Profit	59.2	48.1	23.1%	7.0%
Store Gross Profit	54.4	44.7	21.7%	7.7%
Total Gross Profit	**181.7**	**145.8**	**24.6%**	**8.2%**

* Like for Like (LFL) measures the performance of stores that were open at 1 January 2016 and excludes any stores that were closed or divested since that date and constant currency eliminates the effects of exchange rate fluctuations that occur when calculating financial performance numbers.

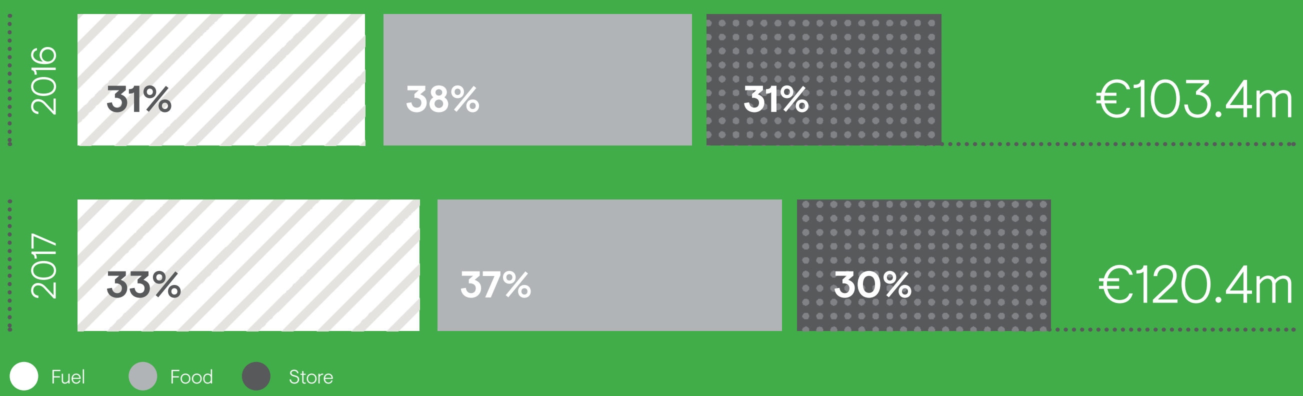
Gross profit is the most important financial metric for the Group as fuel price fluctuations can have a disproportionate impact on revenue. Gross profit from fuel increased by 28.5% during the year which was primarily driven by the growth in site numbers. On a like for like basis at constant currency, fuel gross profit grew by 9.8% driven by an enhanced margin contribution from the Joint Fuels Terminal acquisition in the second half of 2017.

Food revenues and gross profit have increased by 21.7% and 23.1% respectively reflecting the growth in the estate and continued enhancement of the existing estate through rebrand and upgrade activity. The continued focus on our food to go offer and ongoing investment in these facilities is reflected in the like for like constant currency growth in food revenues and gross profit of 6.5% and 7.0% respectively.

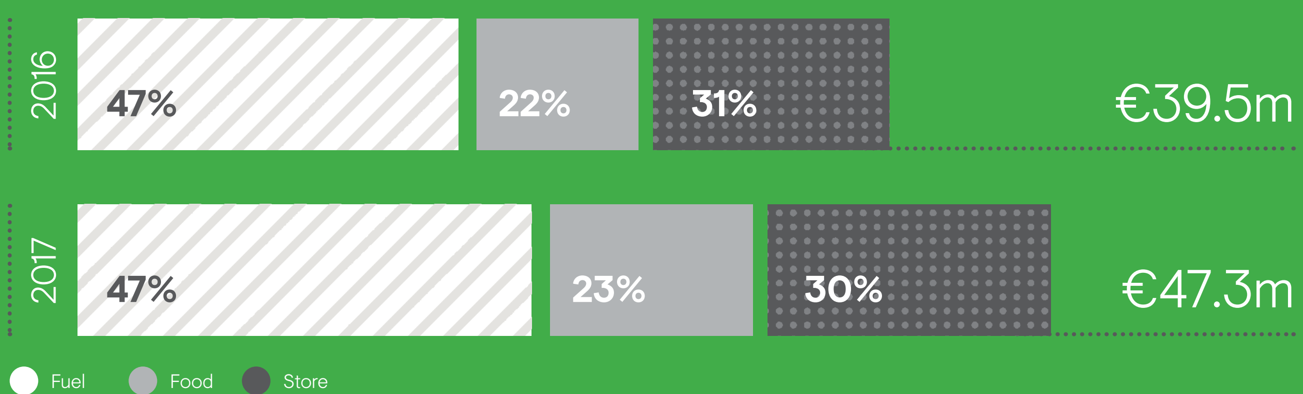
Store revenues and gross profit have increased by 15.8% and 21.7%, respectively year on year as result of the addition of new sites to the network as well as like for like growth in revenue of 2.5%. Our like for like gross profit increase of 7.7% reflects enhanced margins from more attractive supplier terms combined with the improvement in product mix.

The graphs on the opposite page indicate the proportion of gross profit that we derive from the different product segments across our core territories of Ireland, the UK and the US. It illustrates the increasing importance of food in our business which has resulted from the upgrade programme and the successful expansion of our Service Area network across each of our territories. The ROI now accounts for 66% of total gross profit (2016: 71%), UK is 26% (2016: 27%) and US is 8% (2016: 2%).

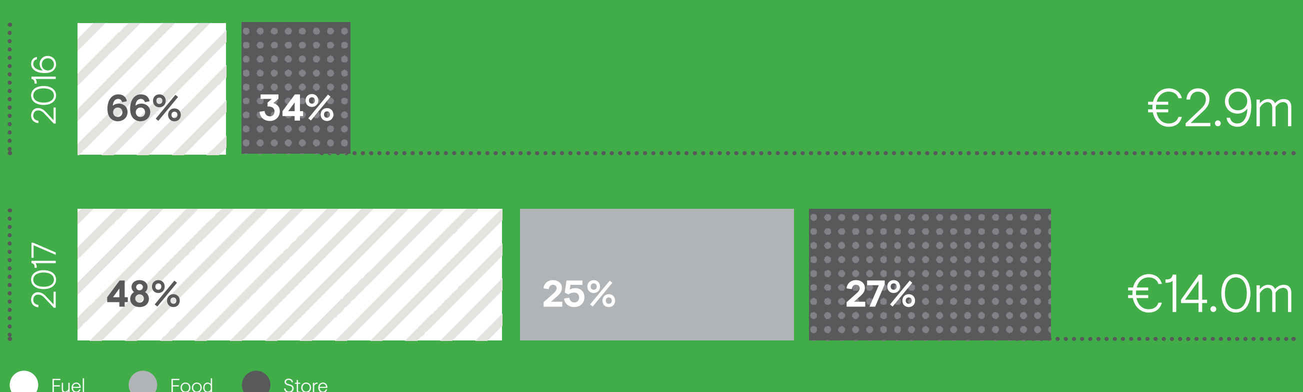
Gross profit mix – ROI



Gross profit mix – UK



Gross profit mix - USA



Summary Cashflow

	2017 €m	2016 €m
Profit Before Tax	**22.0**	**19.5**
Non - cash Adjustments	16.8	12.7
Working Capital Movement	40.4	16.8
Taxes Paid	(1.6)	(1.4)
Cash flows from Operating Activities	**77.6**	**47.6**
Capital Expenditure	**(113.4)**	**(61.7)**
Proceeds from Share Issue	49.1	0.9
Dividends Paid	(1.5)	0.0
Long-Term Borrowings	21.3	(3.3)
Finance Leasing	(0.8)	(1.0)
Net Interest Paid	(1.4)	(1.7)
Cash Flows from Financing Activities	**66.7**	**(5.1)**
Net increase in cash and cash equivalents	**30.9**	**(19.2)**
Opening Cash & Cash Equivalents	27.7	47.2
Exchange Losses	(1.1)	(0.3)
Closing Cash & Cash Equivalents	**57.5**	**27.7**
Cash Conversion	**201.6%**	**152.5%**

2017 represented another year of strong cash generation by the business with a very strong cash conversion of 201.6% (2016: 152.5%), supported by a favourable improvement in working capital position due to fuel volume growth and improved credit terms with suppliers. Proceeds from Share Issue primarily relates to the share placing completed during October 2017. As a result, despite another year of record spend on capital expenditure, the net cash balance increased by €30.9m (2016: decline of €19.2m).

Summary Balance Sheet

	2017 €m	2016 €m
Non-Current Assets	**322.9**	**226.5**
Current Assets	58.5	50.2
Current Liabilities	(176.5)	(131.4)
Working Capital	**(118.0)**	**(81.2)**
Cash and Cash Equivalents	57.5	29.4
Total Debt	(67.7)	(48.8)
Net Debt	**(10.2)**	**(19.4)**
Non Current Liabilities	(13.4)	(10.8)
Net Assets	**181.3**	**115.1**
Share Capital & Share Premium	191.4	141.1
Reserves	(63.7)	(63.7)
Retained Earnings	53.6	37.7
Equity	**181.3**	**115.1**
Return on Capital Employed	**15.8%**	**17.5%**

The increase in Non-Current Assets reflects the capital expenditure incurred during the year, including acquisitions, of €113m. Of this total, €3.1m (2016: €8.7m) was spent on upgrade and rebrand activity.

Return on average Capital Employed amounted to 15.8% for the year, down from 17.5% for 2016. The reduction continues to reflect the fact that much of the capital expenditure in recent years focused on larger infrastructure projects which take a longer time to reach maturity in their returns.

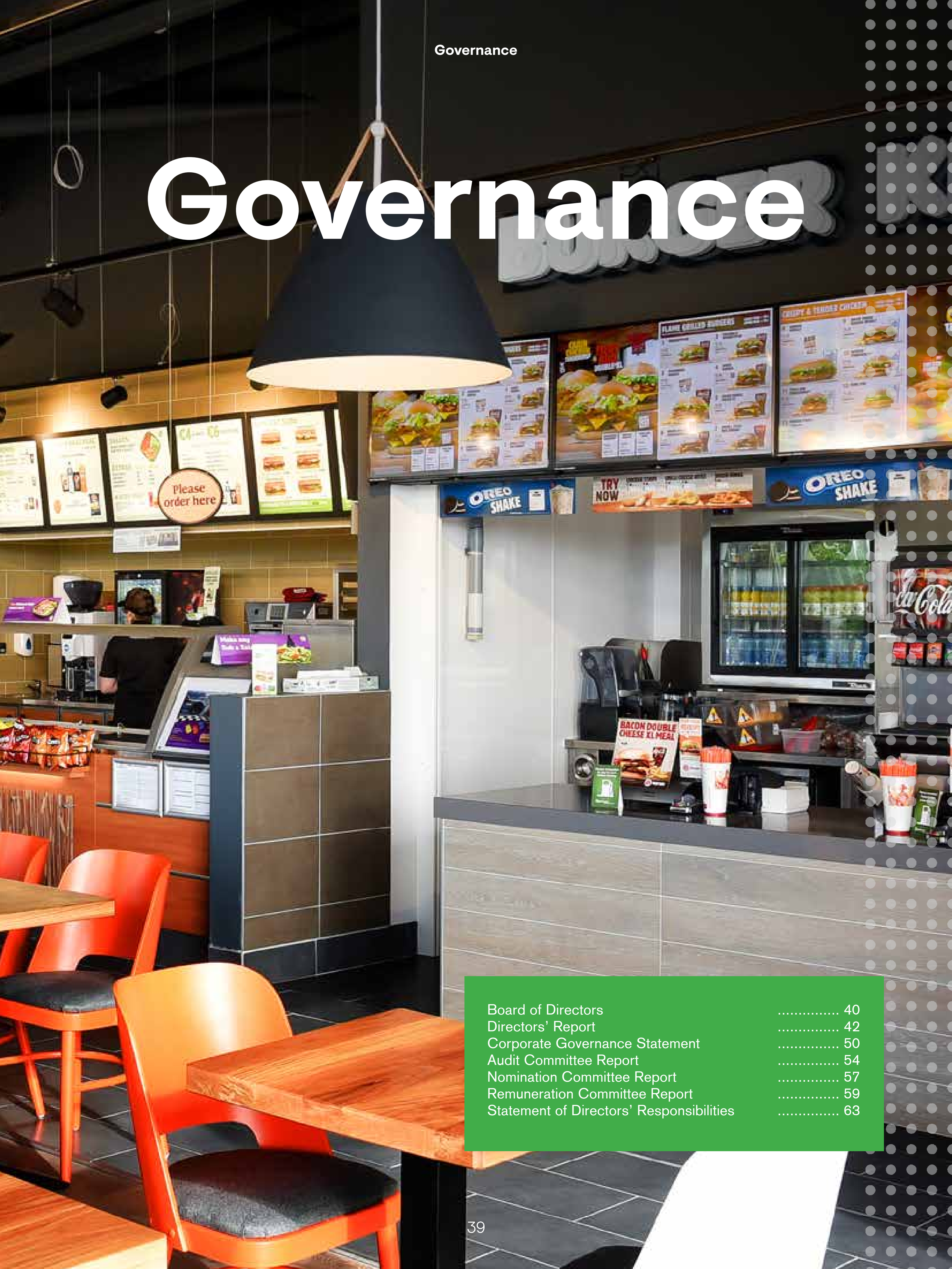
Net Debt at year end amounted to €10.2m (2016: €19.4m) leaving the Group with significant capacity to fund its future development plans.

Niall Dolan
Chief Financial Officer

19 April 2018


SUBWAY

Governance


Please order here
OREO SHAKE
TRY NOW
OREO SHAKE
BACON DOUBLE CHEESE XL MEAL

Board of Directors

1. Daniel Kitchen
Independent Non-Executive Chairman (aged 65)

Daniel Kitchen is currently the non-executive chairman of Workspace Group plc and Hibernia REIT plc, a non-executive director of LXB Retail Properties plc and a director of the Irish Takeover Panel. Previously, he was finance director of Green Property plc from 1994 to 2002, Deputy CEO of Heron International from 2003 to 2008 and the Irish Government-appointed chairman of Irish Nationwide Building Society from 2009 to 2011.

Mr. Kitchen was appointed to the Board on 27 May 2015.

2. Robert Etchingham
Chief Executive Officer (aged 64)

Robert Etchingham founded the Group in 1992 after working for Esso in the Republic of Ireland and the UK for over 10 years. Mr. Etchingham has over 30 years' experience in the retail fuel market and founded the Group with a clear strategic vision of the Group's position in the market. He has led the rapid growth in the Group's site numbers in recent years, capitalising on the opportunities presented during the recession in the Republic of Ireland and the UK. He has a Masters Degree in Economics from University College Dublin.

Mr. Etchingham was appointed to the Board on 19 November 2010.

3. Joseph Barrett
Chief Operating Officer (aged 51)

Joseph Barrett joined the Group in its second year of operation with a strong background in retail and fast moving consumer goods having worked for Tesco and John West Foods. Mr. Barrett has over 20 years' experience in the retail industry and has a key responsibility for management and developing the Group's retail and food offerings. Mr. Barrett has been instrumental in developing the Group's partnerships with its international food brand partners. He has a B.Comm. and MBA from University College Dublin.

Mr. Barrett was appointed to the Board on 19 November 2010.

4. Niall Dolan
Chief Financial Officer (aged 44)

Niall Dolan was appointed Chief Financial Officer and Company Secretary of the Group in July 2017. Mr. Dolan joined Applegreen prior to the IPO in 2015 as Head of Corporate Finance and Treasury. Before joining Applegreen, Mr. Dolan was CFO of ISS Ireland Limited for five years having previously held a senior finance role with One51 plc. Mr. Dolan qualified as a chartered accountant with PwC in 1998 and also holds a Bachelor of Commerce Degree and a Masters of Accounting degree from University College Dublin.

Mr. Dolan was appointed to the Board on 6 March 2018

5. Howard Millar
Independent Non-Executive Director (aged 56)

Howard Millar served in several senior financial roles in Ryanair over a 23 year period between 1992 and 2014, and was Deputy Chief Executive and Chief Financial Officer from 1 January 2003 to 31 December 2014. Howard is a Non-Executive Director of Ryanair and also serves as Chairman of the Remuneration Committee. He has also joined the advisory Board of Irelandia Aviation, a private company which is a shareholder in two airlines in South America – Viva Colombia and Viva Peru. Mr. Millar was appointed the Chairman of BDO Chartered Accountants (Ireland) in March 2015. He is also a board member of ASL Airlines, a Dublin based private company that operates 140 aircraft globally in the cargo and contract leasing business, and operates Fly Safair, a low cost airline in South Africa. Howard graduated from Trinity College, Dublin and was awarded a B.Sc Mgmt (Hons) and is a Fellow of the Institute of Chartered Certified Accountants.

Mr. Millar was appointed to the Board on 27 May 2015.

6. Martin Southgate
Independent Non-Executive Director (aged 63)

Martin Southgate is a graduate in Economics & Business Studies and holds a post Graduate Diploma in Marketing Studies. He has spent over 35 years in the consumer goods sector and has a wealth of international business experience having held numerous General Management positions worldwide. Prior to his retirement in 2013, Mr. Southgate was Managing Director of JTI UK from 2011 to 2013. He is currently a Board Director and trustee of Gallaher Pension Limited, a member of the Advisory Counsel of the London Philharmonic Orchestra and mentors small businesses in strategy and commercial development.

Mr. Southgate was appointed to the Board on 11 February 2014.

7. Brian Geraghty
Independent Non-Executive Director (aged 52)

Brian Geraghty is a chartered accountant (Fellow of Chartered Accountants Ireland) and has been a senior partner in Crowe Horwath, a long established Dublin accounting firm following the merger of Phelan Prescott & Co with this firm on 1 January 2017. He is currently a director of Get Cover & Company and QYouTV International as well as a founding director of The Little Museum of Dublin.

Mr. Geraghty was appointed to the Board on 19 August 2014.

1

2

3

4

5

6

7

Directors' Report

The Directors present their annual report together with the audited group financial statements of Applegreen plc for the year ended 31 December 2017.

On 19 June 2015, Applegreen plc was admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange and the Enterprise Securities Market (ESM) of the Irish Stock Exchange.

Principal activities and business review

Applegreen plc is a petrol forecourt retailer in the Republic of Ireland, the United Kingdom and the United States of America. From an operational base of 64 sites at the end of 2009, the Group has grown to 342 sites as at 31 December 2017, across the Republic of Ireland (177 sites), the United Kingdom (97 sites) and the United States (68 sites) including a number of Motorway Service Areas in the Republic of Ireland and Northern Ireland.

The Group operates a distinctive retail led business model which is built around the following key features:

- "low fuel prices, always" price promise
- "Better Value Always" in shop
- High quality food and beverage offering

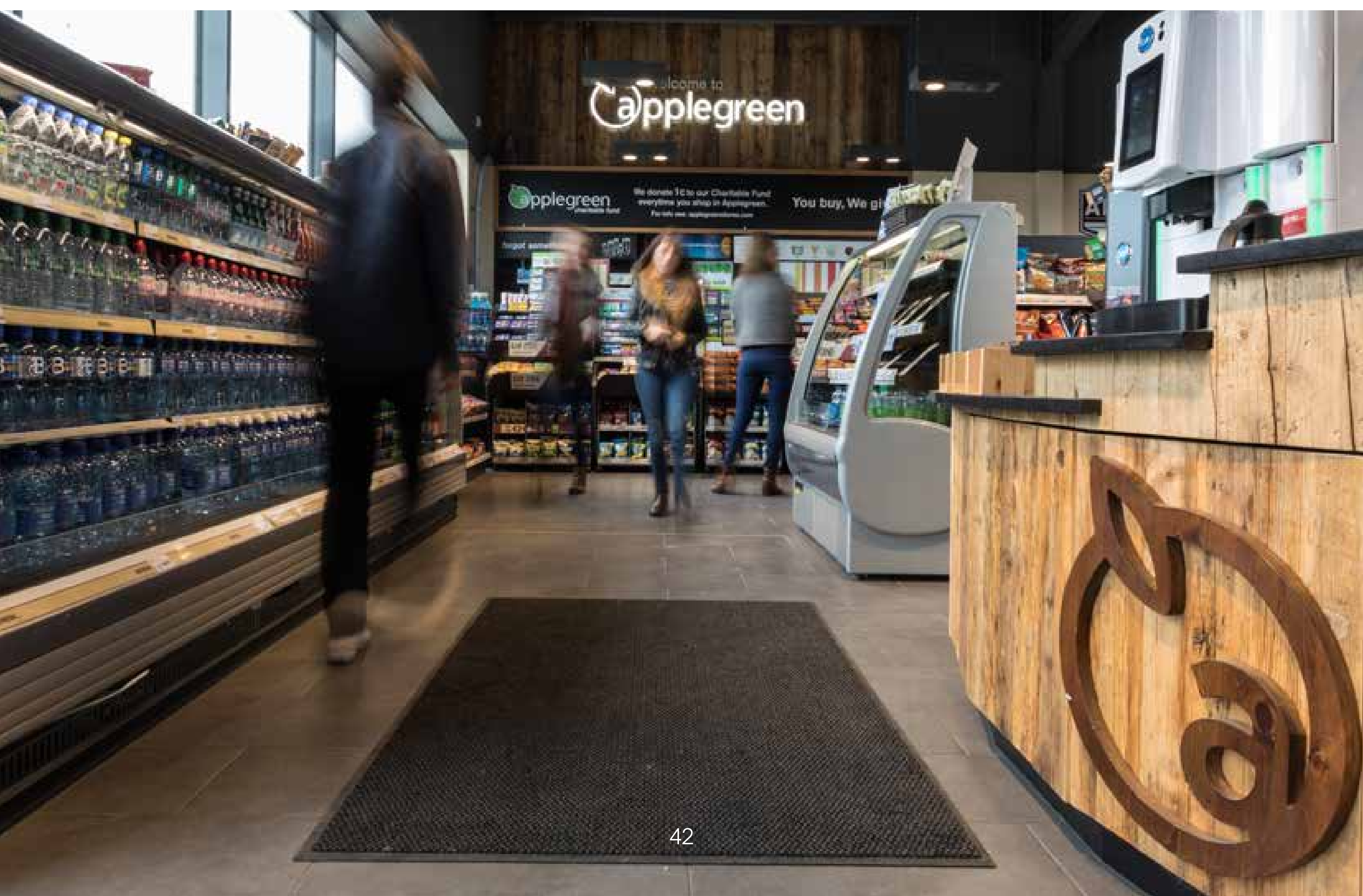
The Directors are pleased with the performance of the Group during the year and a comprehensive review of the performance of the Group is included in the Chief Executive's Review and the Financial Review.

Subsidiary and Associated Undertakings

A list of the Company's principal subsidiaries and associates is set out in note 27 of the financial statements.

Principal risks and uncertainties

The Directors consider the principal risks and uncertainties facing the Group to be as follows:



Strategic / Commercial

Risk	Impact	Mitigation
Economic uncertainties	Uncertainties and challenging conditions in the economies in which the Group conducts business may adversely impact the Group's business, results of operations and financial condition. The UK's decision to leave the EU is likely to result in a short to medium term period of economic and political uncertainty and complexity. There is a risk that this uncertainty could reduce demand in the Group's UK market including Northern Ireland and could adversely impact the financial performance of the Group. In addition, the Group generates a significant portion of its earnings in the UK market, and any significant decline in the value of Sterling will impact the Group's translation of its Sterling earnings with consequential impacts on the reported performance and results of the Group.	The Group monitors these risks and actively manages its business to ensure minimal disruption to its operations. In particular, there is an ongoing review of any new information and policy indications from the UK Government and the EU in relation to Brexit, in order to manage the risks associated with Brexit.
Competitor activity	The Group operates in a highly competitive market, with competitors drawn from local and very large scale multi-national corporations. Actions taken by the Group's competitors (including but not limited to, opening forecourt sites adjacent to existing Group forecourt sites and competing aggressively on price), as well as actions taken in response by the Group (for example, responding to price competition), could place pressure on its margins and profitability.	The Group closely monitor gross margins and, where possible, develops appropriate responses to changes in the competitive environment. Mitigation of this risk is achieved through ensuring that we maintain our value proposition for customers through our "low fuel price always" and "Better Value Always" strategies, and that we continue to innovate in order to better serve our customers.
Consumer preference	Increasing consumer preferences for alternative motor fuels, or improvements in fuel efficiency, could adversely impact the business.	The Group monitors industry trends and technological advances. The Group has commenced trialling various alternative refueling technologies. The Group also has continued to focus on and actively promote the non-fuel areas of the business, through our high quality food and beverage offerings.
Brand awareness	The Group's operating results depend on the reputation and awareness of the Applegreen brand.	The Group actively manages its brand and designs a marketing strategy to maximise brand awareness and continue to build brand equity.
Acquisitions and upgrades	Acquisitions and upgrades of various sizes and nature continue to be a core element of the Group's growth strategy. There is a risk that the anticipated benefits of such transactions are not delivered resulting in a failure or a delay in the delivery of the expected return on investment and a subsequent impact on the strategic development of the Group.	All acquisitions must be approved by the Investment Committee and, for significant acquisitions, by the Board. The Group has skilled and experienced personnel and has a successful track record in completing acquisitions efficiently. It is our policy to involve third party consultants as necessary. The Investment Committee has a clearly defined process to ensure that the evaluation of potential acquisitions is comprehensive and that the execution of acquisitions is effective. Regular updates are presented to the Board on potential significant acquisitions including strategic and financial evaluations of any proposed significant investments. Post-acquisition reviews are conducted by senior management and the results are presented to the Investment Committee.

Operational

Risk	Impact	Mitigation
Fuel pricing risk	The Group's margin can be impacted by fluctuations in fuel commodity pricing. These fluctuations can be influenced by global supply, weather events, political decisions or changes in regulations. In a highly competitive market an inability to pass on cost increases to customers may impact the Group's margins.	The Group employs experienced commercial managers in this area and maintains a strong commercial focus on fuel procurement to manage and mitigate this risk.
Development of organisational infrastructure	The Group has experienced a period of substantial growth in its business. The Group is dependent on attracting, developing, engaging and retaining qualified, experienced and appropriately skilled employees. An inability to implement appropriate organisational structures and to secure and build a resilient talent pipeline could impact the Group's ability to achieve its strategic objectives.	As the scale of its operation grows, the Group will continue to develop systems to ensure that it has the appropriate management structure and workforce required to meet the demands of its expanding business. Senior Management is focused on retention of key talent, recruitment, mobility and in building local talent in all of the markets in which we operate. The Group operates a Global Mobility programme which supports key talent as they move within the organisation and significant resources and time are devoted to training and development of our people.
Regulation and compliance	The Group operates in a highly regulated sector and is reliant on licences in order to carry out certain of its activities. Environmental laws may expose the Group to the risk of substantial costs and liabilities, in particular in relation to the Group's storage and dispensing of hydrocarbon fuels.	The Group closely monitors all changes to such regulation and legislation. It also operates a system on all of its sites which monitors wet stock at all times ensuring any risk of contamination is minimised.
Brand partners	The Group's branded food and beverage offerings are delivered through franchise agreements with brand partners including but not limited to Burger King, Costa Coffee, Subway, Chopstix, Lavazza, Freshii, 7-Eleven and Greggs. A decision by any of those brand partners to terminate an agreement may negatively impact the business.	The Group endeavours to establish relationships with major brand partners with a strong track record and maintain good relationships with those brand partners.
Information technology networks and computer systems	The Group is reliant on the proper functioning of its information technology networks, computer systems and the management of information. A failure of a critical system or the unavailability or inaccuracy of key data may disrupt operations. Cybercrime, including unauthorised access to information systems, may result in confidential data being accessed. Inadequate security controls surrounding banking or treasury systems could also result in the loss of cash assets.	The Group continually monitors the performance and robustness of its IT systems and that of its IT vendors to ensure business critical processes are safeguarded as far as practicably possible. In 2017 the Group completed its infrastructure modernisation and stabilisation project. The Group plans to continue to invest in its IT platform. The Group has ongoing communication programmes and training in place to ensure appropriate focus is maintained in respect of IT security requirements including Data Protection.

Financial

Risk	Impact	Mitigation
Taxation risk	In an increasingly complex international tax environment, such matters as changes in tax laws, changing legal interpretations, tax audits and transfer pricing judgements may impact the Group's tax liability or reporting requirements.	The Group's tax department supports the Group in ensuring compliance with all taxation matters globally. The Group also engages external taxation advisors for guidance on matters of compliance where appropriate.
Foreign currency risk	The Group is exposed to foreign currency exchange rate fluctuations.	This risk is mitigated as, in each territory, the majority of revenues and costs are in the same currency. The Group also manages its foreign exchange exposure where practical and cost effective, to partially hedge this foreign currency net investment in the UK operations. Hedging is done using currency borrowings in the same currency as the assets held by the operations. See note 21 to the financial statements for further details in respect of the Group's financial risk management policies.
Liquidity risk	The Group is leveraged and is subject to restrictive debt covenants that could restrict its ability to finance its future operations and capital needs and to pursue future business opportunities and activities. Failure to satisfy obligations under its existing financing arrangements and/or any future financing arrangements would give rise to enforcement risk and/or could require the Group to re-finance its borrowings.	The Group treasury department manages liquidity risk by monitoring its covenants and ensuring there is sufficient headroom available so that any breach is avoided. See note 21 to the financial statements for further details in respect of the Group's financial risk management policies.
Insurance risk	The Group may suffer losses in excess of insurance proceeds, if any, or from uninsurable events.	The Group monitors its potential risks to ensure it has appropriate insurance coverage.
Litigation risk	There exists the potential for litigation to be brought against the Group by any party with which it does business, from time to time.	The Group monitors these risks and actively manages its business to ensure compliance with relevant laws and regulations.

The Group's operations also expose it to a variety of other financial risks that include market rate risk, credit risk and interest rate risk. See note 21 to the financial statements for further details in respect of the Group's financial risk management policies.

The Directors take such actions as they deem appropriate to minimise the Group's exposure to identified risks and are satisfied that effective systems, processes and expertise are in place to effectively manage the Group's business risk environment.

Results for the year

The highlights of the Group's financial statements include:

	2017 €000	2016 €000
Revenue	1,428,116	1,177,642
Profit for the year	18,656	17,234
Gross assets	438,833	306,077
Equity	181,309	115,011

The Consolidated Financial Statements for the financial year ended 31 December 2017 are set out in detail on pages 74 to 126 including the results for the year which are set out in the Consolidated Income Statement on page 74.

Dividends

The Directors recommend the payment of a final dividend of 0.80 cent per share, bringing the total dividend for the year ended 31 December 2017 to 1.40 cent per share (2016: 1.25 cent per share).

Events since the year end and future developments

Since the year end, the Group has opened one new company owned site in the Republic of Ireland, three in the USA and seven in the UK. The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

Directors

The names of the current Directors and brief biographies are set out on page 40 to 41. Paul Lynch resigned as Director of the Group effective 30 June 2017. Niall Dolan was appointed as Chief Financial Officer and Company Secretary from 1 July 2017 and was appointed as a Director on 6 March 2018.

Audit Committee

In accordance with Section 167 of the Companies Act 2014, Applegreen plc has an Audit Committee, which meets the requirements of the Companies Act.

Directors' Remuneration

The remuneration paid to the Directors in their capacity as Directors of Applegreen plc for the year ended 31 December 2017 is set out in the Remuneration Committee Report on page 62:

Interests of the Directors/ secretary in the Group

The Group is controlled by B&J Holdings Limited (incorporated in Malta), which owns 52.6% of the Company's shares. The Group's ultimate controlling parties are Joseph Barrett and Robert Etchingham who own 100% of the shares in B&J Holdings Limited.

The Directors and Secretary who held office at 31 December 2017 had the following interests in the shares of the ultimate parent company:

	B&J Holdings Limited			
	2017 Number of shares of €1 each		2016 Number of shares of €1 each	
	Ordinary	Redeemable	Ordinary	Redeemable
Robert Etchingham	71,625	3,375	71,625	3,375
Joseph Barrett	23,875	1,125	23,875	1,125
	95,500	4,500	95,500	4,500

The Directors and Secretary who held office at 31 December 2017 had the following interests in shares of Applegreen plc:

	Applegreen plc Ordinary Shares of €0.01 each	
	2017 €000	**2016 €000**
Executive Directors		
Niall Dolan[1]	-	-
Non-Executive Directors		
Daniel Kitchen	26,316	26,316
Howard Millar	26,316	26,316
Martin Southgate	26,316	26,316
	78,948	78,948

1: Niall Dolan was appointed as Secretary on 1 July 2017 and appointed as a Director on 6 March 2018.

Directors' Interests in Share Options

Information on Directors' share options to subscribe for ordinary shares of the Company are set out below:

	Options held at 31 December 2016	Granted during 2017	Exercised during during 2017	Options held at 31 December 2017
Niall Dolan[1]	50,000	400,000	-	450,000

1: Niall Dolan was appointed as Secretary on 1 July 2017 and as a Director on 6 March 2018

Substantial Holdings

The table below shows all notified shareholdings in excess of 3% of the issued ordinary share capital of the Company as at 31 December 2017 and 19 April 2018:

	31 December 2017		19 April 2018 (date of signing)	
	Number of shares	% of issued ordinary share capital	Number of shares	% of issued ordinary share capital
B&J Holdings	48,136,842	53%	48,136,842	53%
AXA	8,420,454	9%	8,414,310	9%
12 West	5,218,359	6%	5,148,359	6%
Old Mutual	5,108,050	6%	5,501,050	6%
Fidelity	2,587,945	3%	2,500,000	3%

Political donations

No political donations were made during the current or prior year.

Directors Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by the Company of its relevant obligations as set out in the Companies Act (the 'Relevant Obligations'). The Directors further confirm that there is a Compliance Policy Statement in place setting out the Company's policies which, in the Directors' opinion, are appropriate to ensure compliance with the Company's Relevant Obligations.

The Directors also confirm that appropriate arrangements and structures are in place which, in the Directors' opinion, are designed to secure material compliance with the Company's Relevant Obligations. For the year ended 31 December 2017, the Directors, with the assistance of the Audit Committee, have conducted a review of the arrangements and structures in place. In discharging their responsibilities under Section 225 of the Companies Act, the Directors relied on the advice of persons who the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its Relevant Obligations.

Disclosure of information to auditors

The Directors in office at the date of this report have each confirmed that:

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

Accounting Records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 281-286 of the Companies Act 2014, are kept by the Company. The Directors are also responsible for the preparation of the Annual Report. The Directors have appointed professionally qualified accounting personnel with appropriate expertise and have provided adequate resources to the finance function in order to ensure that those requirements are met. The accounting records of the Company are maintained at the Group's principal executive offices located at Block 17, Joyce Way, Parkwest, Dublin 12, and at various subsidiary offices.

Going concern

After making appropriate enquiries and considering the business risks, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Statutory Auditor

The statutory auditors, PricewaterhouseCoopers ("PwC"), have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the Directors.

Robert Etchingham
19 April 2018

Niall Dolan
19 April 2018

Corporate Governance Statement

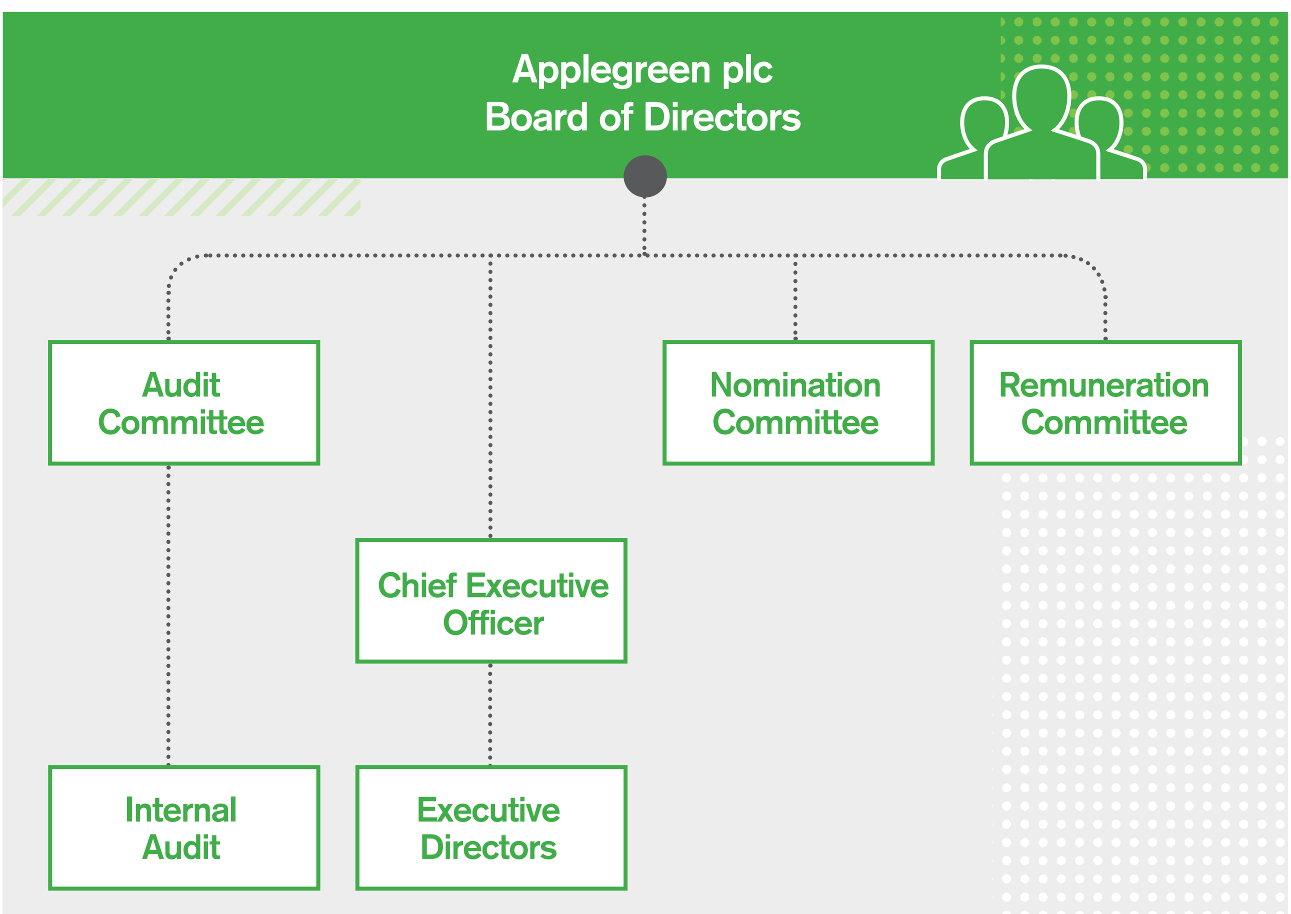
Introduction

The Board of Applegreen plc is firmly committed to business integrity, high ethical values and professionalism in all of its activities and operations. The Board recognises the importance of maintaining high standards of corporate governance.

Under the rules of AIM and ESM, the Group is not subject to mandatory compliance with corporate governance codes. The Group provides the following disclosures and has endeavoured to design appropriate corporate governance arrangements having regard to the Group's size and the markets on which its shares are traded. The Board continues to review the governance structures in place, to ensure that the current practices are appropriate for our current shareholder base and that, where necessary, changes are made.

The key governance principles and practices are described in the statement below, together with the Audit, Nomination and Remuneration Committees' reports on pages 54 to 62.

Corporate Governance Framework



Board of Directors

The Board comprises a Non-Executive Chairman, three Non-Executive Directors and three Executive Directors (Chief Executive Officer, Chief Operating Officer and Chief Financial Officer). Brief biographies of all the Directors are set out on page 40 to 41.

The Board considers that there is an appropriate balance between Executive and Non-Executive Directors for governing the business effectively and promoting shareholder interests. The Board considers that between them, the Directors have the range of knowledge, skills and experience necessary to address the various challenges facing the Group. The composition of the Board is reviewed annually by the Nomination Committee to ensure that there is an effective balance of skills, experience and knowledge.

Division of Responsibilities

The roles of the Chairman and the Chief Executive Officer are separately held and the division of their responsibilities is clearly established.

Chairman

The Chairman's primary responsibility is to lead the Board and to ensure it is effective in carrying out all aspects of its duties and responsibilities. He sets the board's agenda, ensures that adequate time is available for discussion and that the Directors receive accurate, timely and clear information. In particular, he ensures that the Board reviews and approves management's plans for the Group.

The Chairman is the link between the Board and the Group. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive Officer, and promoting a culture of open dialogue between the Executive and Non-Executive Directors. He has the responsibility to ensure that there is ongoing and effective communication with shareholders and to ensure that members of the Board develop and maintain an understanding of the views of the shareholders.

Chief Executive Officer

The Chief Executive Officer ("CEO") is responsible for the day to day management of the Group's operations and for the implementation of Group strategy and policies agreed by the Board. The CEO also has a key role in the process of setting and reviewing strategy. The CEO instils the Group's culture and standards which includes appropriate corporate governance throughout the Group.

In executing his responsibilities, the CEO is supported by the Chief Operating Officer ("COO") and the Chief Financial Officer ("CFO"), who together with the CEO, are responsible for ensuring that high quality information is provided to the Board on the Group's financial and strategic performance.

Non-Executive Directors

The Non-Executive Directors' main responsibilities are to review the performance of management and the Group's financial information, assist in strategy development, and ensure appropriate and effective systems of internal control and risk management are in place. The Non-Executive Directors review the relationship with external auditors through the Audit Committee, monitor the remuneration structures and policy through the Remuneration Committee and consider the Board composition and succession planning through the Nomination Committee.

The Non-Executive Directors provide a valuable breadth of experience and independent judgement to Board discussions.

Schedule of Matters Reserved for the Board

Specific responsibilities reserved for the Board include:

- setting the strategic direction of the Group
- appointment or removal of the Chief Executive Officer and recommendation for appointment or removal of any member of the Board
- Director and senior management succession planning
- approving an annual budget
- reviewing operational and financial performance
- approving major capital expenditure
- reviewing the Group's systems of financial control and risk management
- approval of borrowing facilities
- setting dividend policy

Appointment of Directors

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any new appointments of Directors. As set out on page 58, the Nomination Committee recommended that the Board appoint Niall Dolan to the position of Chief Financial Officer and nominated him for appointment as Company Secretary and Director. Mr. Dolan was appointed as Company Secretary on 1 July 2017 and as Director on 6 March 2018.

Re-election of Directors

All Directors are required to retire by rotation in accordance with the Group's Constitution. At every Annual General Meeting of the Group as near as possible to one-third of the Directors will retire by rotation. Accordingly Joseph Barrett, Martin Southgate and Brian Geraghty will retire at the Company's forthcoming AGM in June 2018 and seek re-election. Niall Dolan will also retire and seek re-election, in accordance with requirements as he was co-opted as a director since the last AGM. The Notice of AGM will provide further details.

Independence

The Board has carried out its annual evaluation of the independence of each of its Non-Executive Directors. Non-Executive Directors should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

Since their appointment, all current Non-Executive Directors, including the Chairman, have been considered by the Board to be independent and free from any business or other relationship which could materially affect their judgement.

The highest standards in governance require that at least half of the Board should comprise Non-Executive Directors and this standard has been fully met since 27 May 2015.

Howard Millar has been appointed as Senior Independent Director of the Group.

Board meetings

Meetings of Directors are held regularly. There is regular contact between meetings in order to progress the Group's business. Before the beginning of the financial year, the Board sets a schedule of Board and Committee meetings to be held in the following year. Prior to each meeting, the Directors receive a comprehensive board pack to facilitate meaningful discussion and decision making in relation to the Group's business at each meeting.

Board committees

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee. Each committee has written terms of reference which sets out how it should operate including its role, membership, authority and duties. Reports on the activities of the individual committees are presented to the Board by the respective committee Chairmen.

Audit Committee

Further details on the duties, operation and activities of the Audit Committee can be found in the Audit Committee Report on page 54.

Remuneration Committee

Further details on the duties, operation and activities of the Remuneration Committee can be found in the Remuneration Committee Report on page 59.

Nomination Committee

Further details on the duties operation and activities of the Nomination Committee can be found in the Nomination Committee Report on page 57.

Board and Committee Meetings

Details of the meetings held during the year, both of the board and of the Board Committees are contained in the schedule below, which also contains information on individual attendance.

	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Number of scheduled meetings	**9**	**6**	**4**	**2**
Daniel Kitchen	8	-	4	2
Robert Etchingham	9	-	4*	-
Joseph Barrett	9	2*	-	-
Niall Dolan	4*	3*	-	-
Paul Lynch	5	3*	-	-
Martin Southgate	8	6	3	2
Brian Geraghty	9	-	4	2
Howard Millar	9	6	4	2

* in attendance only

Communication with shareholders

There are regular meetings between the representatives of the Group and representatives of its principal investors and presentations are made to both existing and prospective institutional shareholders principally, after the release of the interim and annual results. Information is disseminated to shareholders and the market generally, via Regulatory News Services and is also published on the Group's website (www.applegreenstores.com). All current and historical annual and interim reports and investor presentations are also made available on the Company's website.

All shareholders are invited to the Group's Annual General Meeting where they have the opportunity to question the Board on the activities of the Group. Notice of the AGM will be circulated to all shareholders at least 21 days in advance of that meeting. Shareholders are also invited to participate in conference calls which present the annual and interim financial statements of the Group and this allows them the opportunity to raise questions on the results.

Internal control

The Directors have considered the importance of internal control on the Group's operations. The Directors believe that the Group, throughout the year and up to the date of approval of the financial statements, has an effective internal control environment appropriate for the Group's size.

The Directors are responsible for ensuring that the Group maintains a system of internal control. This system is designed to provide reasonable, though not absolute, assurance against material misstatement or loss.

The Directors have established a number of key procedures designed to provide an effective system of internal control. The key procedures are as follows:

- an organisation structure with defined lines of responsibility and delegation of authority
- a budgeting system with actual performance being measured against budget on a regular and timely basis, supported by information systems developed for this purpose
- regular review of the key business risks relevant to the Group's operations and control procedures in place to address the key business risks

Annual assessment of the principal risks facing the group

The Board and Audit Committee received and reviewed reports from the Head of Group Internal Audit, to help with their annual assessment of the principal risks facing the Group, and the controls in place to mitigate these risks.

Internal audit

Although the Group is not subject to mandatory compliance with UK and Republic of Ireland corporate governance codes, the Group has established an internal audit function appropriate to the Group's current size and complexity.

Audit Committee Report

I am pleased to present the Audit Committee Report prepared in respect of the year ended 31 December 2017. This report provides a summary of the Audit Committee's role and responsibilities and how we, as a committee, discharged these during 2017.

Role of the Audit Committee

The role, responsibilities and authorities of the Audit Committee are clearly communicated in our written Terms of Reference. In order to achieve the Audit Committee's stated responsibilities annually, the Audit Committee has documented a detailed meeting planner outlining matters for consideration and timelines for completion.

The Audit Committee has responsibility for ensuring that the financial performance of the Group is properly reported on and reviewed and its role includes:

- reviewing significant financial reporting judgements and changes in accounting policies
- monitoring the integrity of the financial statements of the Group (including Annual and Interim accounts and announcements)
- reviewing internal control and risk management systems
- reviewing the effectiveness and operation of the internal audit function
- considering and making a recommendation to the Board in relation to the continued appointment of the external auditor
- reviewing the extent of non-audit services undertaken by external auditors; and
- evaluating the performance of the external auditor, including their independence and objectivity

Membership

Members are appointed to the Committee by the Board, based on the recommendations of the Nomination Committee. The Committee is comprised of two independent Non-Executive Directors, Martin Southgate and myself Howard Millar (See page 40 for our individual biographies).

The members of the Committee

- are financially literate
- have knowledge of financial reporting principles
- understand any material factors impacting the Group's financial statements; and
- have an understanding of the Group's internal controls and risk management framework and the legal and regulatory environments in which the Group operates

As with other Board Committees, the Company Secretary or his deputy acts as secretary to the Committee and the Audit Committee may obtain, at the Group's expense, outside legal or other professional advice needed to perform its duties.

On this basis of the above I am happy to confirm that the Audit Committee has the requisite knowledge and experience to discharge its duties.

Meetings

In line with the Audit Committee Terms of Reference, the Audit Committee is expected to meet formally three times a year and otherwise as required. The Committee met six times in 2017 (See details of meetings held and attendance on page 53). Meetings are generally scheduled around the financial reporting cycle to allow the Audit Committee to discharge its duties in relation to the financial statements. Reports are circulated in advance of the meetings to allow the Audit Committee access to information in a sufficient timely manner.

The CFO, the Group Head of Internal Audit and PwC as external auditor, have a standing invitation to attend the Audit Committee. The Audit Committee has unrestricted access to the Group's external and internal auditors, with whom it meets at least three times a year. As part of the year end reporting cycle the Audit Committee meets with external audit for a private session where management is not present; this reinforces the independence of the Audit Committee and allows members to ask questions on matters that might not have been specifically addressed as part of the audit.

The Audit Committee also regularly invites other members of key management to attend the Audit

Committee meetings. This successful approach will be continued in 2018 with plans to meet other senior management. It is the Audit Committee's view that the attendance of these individuals brings additional insight when addressing significant and/or complex financial matters. In general, the Audit Committee meets in advance of Board meetings and reports to the Board on the key outcomes from each meeting.

Financial reporting and significant financial issues

The Audit Committee has an important oversight role in providing the Board with assurance as to the propriety of the financial reporting process. As part of this role, the Audit Committee considers significant accounting policies, any changes to them and any significant estimates and judgements. The Audit Committee also considers the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches.

Taking into account the external auditor's view, the Audit Committee considered whether the Group in its financial statements has adopted appropriate accounting policies and, where necessary, made appropriate estimates and judgements. The Audit Committee also reviewed the clarity and integrity of disclosures in the financial statements. The Audit Committee reviewed in detail the following areas of significant judgement in respect of the financial statements for the year ended 31 December 2017. In this regard the Committee considered a report from the external auditor on its work undertaken and conclusions reached. A summary of this report is included in the Audit Report set out on pages 66 to 73. The Audit Committee also had detailed discussions on these matters with senior management and the external auditor.

Retail sites impairment assessment

Details of retail site impairment testing, along with the assumptions used are contained in Note 14 of the financial statements. The Audit Committee considered the process and methodology used to complete the impairment review of the Groups retail sites. In this regard the Audit Committee specifically assessed the methodology used to identify the retail sites required to be assessed for impairment and the key assumptions used to estimate the recoverable amount of the retail sites including future cash flows and discount rates and where necessary the basis for management's estimate of fair value less costs to sell.

The Audit Committee also assessed the process and methodology for identifying and recording impairment reversals.

Accounting for material acquisitions

In July, the Group acquired a 50% interest in the Joint Fuels Terminal at Dublin Port. Following a detailed assessment by senior management, the investment was accounted for as an asset acquisition in line with IFRS 11 "Joint Arrangements" as disclosed in the significant accounting policies on page 84 to the financial statements. The Audit Committee reviewed the methodology and assumptions applied in accounting for the investment.

In addition to the investment in the Joint Fuels Terminal, the Group acquired two businesses during the final quarter of the financial year in the UK and US which, following a detailed assessment by senior management, were accounted for as business combinations in accordance with IFRS 3 as disclosed in note 25 to the financial statements. The Audit Committee reviewed the methodology and assumptions applied in determining whether the transaction constituted a business combination or an asset acquisition under IFRS 3.

The Audit Committee reviewed the methodology and assumptions applied in determining the provisional fair values.

Carrying value of Superstop assets

Judgement is required when arriving at the recoverability assessment of the investment in the Superstop joint venture of €1m as set out in note 15, and the amounts owed by Superstop totalling €2.3m as set out in note 27. The Audit Committee considered the process and methodology used to assess the recoverability of the Superstop assets and the key assumptions used in management's model including the future free cash flows and discount rates.

Risk management

The Board is responsible for maintaining a sound system of risk management and internal control. A summary of the key risks is detailed on pages 43 to 45. On behalf of the Board, the Audit Committee has a role in the continued development of a risk awareness culture driving the integration of risk and strategy, and behaviours and beliefs at all levels of the organisation.

During the year the Audit Committee continued its assessment of the overall risk management and internal control frameworks in place to ensure their appropriateness and in this regard there were a number of enhancements made to the risk management framework. This included the continued development of the process to identify and document the principal risks impacting the Group, and how those risks are being managed and mitigated. The Audit Committee believes these changes will further assist the business in identifying and managing risks which are critical to the delivery of the Group's strategic objectives.

The Committee has met with various members of the senior management team to secure assurance in this regard, including the COO, who presented on key areas of risk within their respective areas. This successful approach will be continued in 2018 with plans to meet key senior management on a rotational basis. The Committee has also engaged regularly with internal and external audit to ensure that appropriate measures are taken to address risks as they are identified or as their risk profile changes.

The Audit Committee plans to continue to encourage the development of policies, procedures, management systems and internal controls that are designed to enhance the existing risk management framework in the coming year.

Internal audit

In my view having an Internal audit function has a positive impact on the control environment of the Group and plays a significant role in supporting the Audit Committee. This is achieved by providing an assurance as to whether the controls implemented by management are fit for purpose and working as intended.

As set out in the Internal Audit Charter, which was approved by the Audit Committee, the Audit Committee is responsible for overseeing the Internal Audit function and in this regard the Audit Committee approved the internal audit plan for 2017.

The plan, which is risk based and reflective of the developing business and control environment, was assessed to ensure they provided adequate coverage across the Group including Ireland, the UK and the US. When changes are made to the plan, these are agreed by the Committee. Progress against the plan was reported to the Committee by the Group Head of Internal Audit in December 2017 and a progress report will also be made available in respect of the half year.

In line with best practice the findings contained in internal audit reports are prioritised against agreed standards. This indicates the importance of each audit recommendation and the urgency of any required action. The Audit Committee considers significant individual audit findings or recommendations and in particular the Audit Committee is focused on management's implementation plans. In this regard internal audit plan to evolve the process of follow-up to obtain appropriate assurance that management has taken timely and effective action and where necessary it will advise the Audit Committee of its findings and further action required.

In addition to the above, one of the Audit Committee's roles is to annually review the effectiveness of the internal audit function. Following discussions with Senior Management the Audit Committee is satisfied that the recently introduced Internal Audit function is appropriate for the Group and concluded that it performed well during 2017.

External audit

The Audit Committee has an important role in supporting the Board in discharging its duties by providing independent oversight over external audit.

Independence and objectivity

PwC has been the Group's auditor since 2013. The Committee is responsible for ensuring that the external auditor is objective and independent. PwC as external auditor is precluded from engaging in certain non-audit services that would compromise its independence, violate any laws and regulations and affect its appointment as external auditor. In December 2016 the Audit Committee formalised the policy relating to non-audit fees which established prior approval requirements by the Audit Committee for certain non-audit services.

An analysis of the non-audit fees provided by the Group's auditor is set out on page 95. The Audit Committee performed a review of the audit and non-audit services provided by the external auditor and the fees charged for those services in respect of the year ending 31 December 2017. Following this review and the confirmation in writing received from the Group's external auditor reaffirming its independence and objectivity, the Audit Committee is satisfied as to PwC's independence and objectivity.

Effectiveness

As part of the assessment of the external auditor, the Audit Committee assessed the external auditor performance at our December 2017 meeting when the external audit plan for the year ended 31 December 2017 was presented. The Committee reviewed and appropriately challenged the external auditor before agreeing the proposed audit scope and approach. PwC presented an interim findings report in March 2018, and presented a detailed report of their final audit findings to the Committee at our meeting in April 2018. These findings were reviewed and appropriately challenged by the Audit Committee.

In determining the appropriateness of the external auditor, the Audit Committee had full regard to the auditor's competence, the quality and efficiency of the audit, and whether the audit fee is appropriate in relation to size, complexity and risk and control profile of the Group. After taking into account all of the above factors, the Audit Committee continues to be satisfied with the performance of PwC and has informed the Board accordingly.

On behalf of the Audit Committee

Howard Millar
19 April 2018

Nomination Committee Report

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2017, which provides a summary of the Nomination Committee's role and responsibilities, and how the Committee discharged these during 2017.

Role of the Nomination Committee

The duties, reporting responsibilities and authority of the Nomination Committee is clearly set out in our written Terms of Reference. These include, but are not limited to, the following:

- reviewing the structure, size and composition of the Board compared to its current position and make recommendations to the Board with regard to any changes
- giving full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future
- identifying and nominating candidates for approval by the Board to fill Board vacancies, considering candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position
- evaluating the balance of skills, knowledge, experience and diversity on the Board; and
- reviewing annually the time required from non-executive Directors and assessing whether the non-executive Directors are spending sufficient time on fulfilling their duties

Membership

Under the Terms of Reference, the Nomination Committee must comprise at least two Directors, of whom a majority shall be independent non-executive Directors. Members are appointed to the Committee by the Board for a period of up to three years.

The Committee is comprised of four independent non-executive Directors:

- Daniel Kitchen (Chairman)
- Howard Millar
- Martin Southgate
- Brian Geraghty

See page 40 for individual biographies.

Activities of the Nomination Committee

The Nomination Committee meets at least twice a year and otherwise as required. The Nomination Committee met on two occasions during 2017. The principal activities of the Nomination Committee throughout the year are detailed below:

- A replacement Chief Financial Officer was required as a result of the resignation of Paul Lynch during 2017. A comprehensive search and selection process, which included the services of external advisers, was carried out which considered candidates from a wide range of backgrounds on merit and against objective criteria. The Nomination Committee recommended that the Board appoint Niall Dolan to the position of Chief Financial Officer and nominated him for the position of Company Secretary and Director. Mr. Dolan was appointed Company Secretary on 1 July 2017 and was appointed as Director on 6 March 2018
- Before Mr. Dolan was appointed by the Board, the Nomination Committee evaluated the balance of skills, knowledge, experience and diversity on the Board, preparing a description of the role and capabilities required in light of this evaluation. Further to this review, the Committee noted that there is a gender imbalance on the Board and its committees. Due to the size of the Board and its committees, it was agreed that no action would be taken at this point but that the matter would be kept under review. The Board does not have prescriptive or quantitative targets and the Nomination Committee agreed that, in relation to Board appointments, that diversity and equality remain key values
- The Committee reviewed the results of the annual performance evaluation of the Board, its committees and individual Directors, including a review of the time required from non-executive Directors to fulfil their duties
- The Committee reviewed the Terms of Reference for the Nomination Committee to ensure the contents remained relevant and appropriate and best reflect the role and responsibilities of the Committee
- During the year the Nomination Committee reviewed Board and Senior Management succession planning to ensure that the Company has the appropriate level of skills and diversity. The Committee continues to ensure that there is a robust succession plan for senior management positions; and
- The Nomination Committee recommended to the Board that all Directors, subject to and seeking re-election, be put forward for re-appointment at the Company's 2018 AGM

I will be available at the AGM to answer any questions that shareholders may have on the work of the Committee.

Daniel Kitchen
19 April 2018

Remuneration Committee Report

I am pleased to present the report of the Remuneration Committee for the year ended 31 December 2017 which has been prepared by the Remuneration Committee and approved by the Board.

The objective of the report is to provide shareholders with information to enable them to understand the remuneration structures and how they relate to the Group's financial performance.

The responsibilities of the Remuneration Committee are summarised herein and are set out in full in the Terms of Reference for the Remuneration Committee.

We have been mindful to ensure disclosures in relation to the remuneration structures are in line with best practice and we recognise the importance of having remuneration policies, practices and reporting that reflect best corporate governance practices, having regard to the Company's size and the markets on which its shares are traded.

The Committee is dedicated to structuring a remuneration policy which fosters an ongoing commitment to the business from the Executive Directors and a continued alignment of shareholders' and executives' interests. The significant shareholdings of both the Chief Executive Officer and the Chief Operating Officer also demonstrate their ongoing commitment to the long term success of the Group.

There have been four Committee meetings during the year and details on the key matters considered are set out on in more detail below.

Membership and Responsibilities

The Remuneration Committee is chaired by Brian Geraghty and its other members are Daniel Kitchen, Howard Millar and Martin Southgate, all of whom are considered by the Board to be independent. The Remuneration Committee was set up during 2015 and meets formally three times a year and otherwise as required. The Remuneration Committee recommends policy for the Group to adopt on executive remuneration, determines the levels of remuneration for each of the Executive Directors and recommends and monitors the remuneration of members of senior management.

Changes to Executive Directors

Paul Lynch, the Group's former Chief Financial Officer, resigned effective 30 June 2017. Mr. Lynch had been with the business since 2014. In accordance with contractual entitlements and legal obligations in Ireland, Mr Lynch received €444,500 and was treated as a good leaver under the Company's share plans.

As outlined on page 58 Niall Dolan was appointed as Chief Financial Officer and Company Secretary on 1 July 2017. Although not appointed as Director until 6 March 2018, Mr. Dolan's remuneration at the time of his appointment as Chief Financial Officer was reviewed by the Remuneration Committee and deemed to be in line with the Executive Remuneration Framework as set out above and therefore approved by the Remuneration Committee.

Summary of current executive remuneration framework

The Group's policy on Executive Directors' remuneration is designed to ensure that employment and remuneration conditions reward, retain and motivate them to perform in the best interests of shareholders. The elements of the remuneration package which may apply to Executive Directors are base salary, pension and benefits, annual bonus and the long term incentive plan. The table below summarises the framework which was applied during 2017 and will apply during 2018.

Executive remuneration framework

Element	Purpose and operation	Maximum opportunity	Performance Metrics
Base Salary	An appropriate level of fixed remuneration to reflect the skills and experience of the individual. Salaries are reviewed annually by the committee taking into account all relevant factors.	There is no prescribed maximum. Salary increases are normally in line with those of the wider workforce or where contractually obliged. Larger increases may be awarded to reflect circumstances such as an increase in the responsibilities of the role.	N/A
Benefits	To provide a market competitive benefits package. Benefits currently provided include, for the CFO, an allowance of 6% of salary to provide for motor and other expenses.	The level of benefits is set at an appropriate market rate.	N/A
Pension	Contribution to COO's executive pension scheme.	€32,700	N/A
Annual Bonus	To drive and reward the delivery of the business objectives over the financial year.	The maximum bonus for each of the Executive Directors is 50% of salary.	Targets are set and assessed by the Committee each year. For 2017 and 2018, 80% of the bonus will be based on the achievement of challenging adjusted EBITDA targets with the balance based on the delivery of specific non-financial objectives.

Executive remuneration framework (Continued)

Element	Purpose and operation	Maximum opportunity	Performance Metrics
Long term incentive plans	To reward Executive Directors and senior management for the delivery of long term performance and align their interests with those of shareholders and other stakeholders. Prior to admission an LTIP was established ('the 2014 Option Scheme') which involved the award of options over c. 6.8m shares to members of the senior management of the Company. Certain of these options vested at the IPO date while the remainder vest on the third anniversary of the award grant date. The options are granted with a fixed exercise price which is determined firstly based on the implied market value per share of the Company at the grant date of the options and secondly based on the tenure of the employee. Employees are required to remain in employment with the Group until the options become exercisable unless the board agrees otherwise. The options expire seven years after the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.	No further awards will be made from the 2014 Option Scheme.	No performance metrics applied to the 2014 Option Scheme.
	A second LTIP scheme ('the 2015 LTIP scheme') was established on admission. Awards from this scheme may be made in the form of options or conditional shares and will vest no earlier than the third anniversary of the award grant date. The first tranche of awards under this scheme were granted to Directors and certain members of senior management during April 2017.	Under the 2015 LTIP scheme the maximum annual award is 150% of salary. In addition, no more than 5% of the issued ordinary share capital of the Company may be issued or reserved under the 2015 LTIP Scheme.	The vesting criteria for the 2015 LTIP Scheme awards are 50% based on relative total shareholder return ("TSR") measured against ten listed peers and 50% based on the achievement of targeted earnings per share ("EPS") growth. In respect of the TSR objective, 25% vests on median performance rising on a linear basis to 100% vesting for upper quartile performance. In respect of EPS growth, 25% vests based on the achievement of growth of the Consumer Price Index ("CPI") + 3% rising to 100% where EPS growth is in excess of CPI +9%.

Outcomes for 2017 (to be read as part of the consolidated financial statements)

The following table summarises the remuneration received by the Directors for the 2017 financial year:

	Salary/Fees €000	Bonus €000	Allowance €000	Pension €000	2017 Total €000	2016 Total €000
Executive Directors						
Joseph Barrett	325			32	357	486
Robert Etchingham	340				340	472
Paul Lynch[1]	206[1]	49[1]	14[1]		269[1]	476
Non-Executive Directors						
Brian Geraghty	20				20	20
Daniel Kitchen	80				80	80
Howard Millar	50				50	50
Martin Southgate	23				23	24
	1,044	49	14	32	1,139	1,608

1: Paul Lynch ceased to be a Director on 30 June 2017. Further details are set out on page 59 in respect of Mr. Lynch's compensation for loss of office. Niall Dolan was appointed as Director on 6 March 2018.

Service contracts/letters of appointment

The Remuneration Committee reviews the contractual terms for any new Directors to ensure these reflect best market practice.

Executive Directors

All Executive Directors have service contracts with the Group with a notice period of six months. The service contracts for Robert Etchingham and Joseph Barret are dated 29 April 2015, while the service contract with Niall Dolan is dated 6 March 2018. The service contracts allow for termination by way of payment for the entire notice period or part thereof in lieu of notice. Standard 'cause' provisions are included in the service agreement which allow the Group to terminate without notice or the obligation to make payment in lieu of notice.

Non-Executive Directors

Each of the Non-Executive Directors are appointed under a letter of appointment, detailing arrangements that may generally be terminated at will, by either party, without compensation.

On behalf of the Remuneration Committee

Brian Geraghty
19 April 2018

Statement of Directors' Responsibilities

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

Irish law requires the Directors to prepare the Group and Company financial statements for each financial year giving a true and fair view of the Group's and Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group for the financial year. Under that law and in accordance with the Rules of the AIM and ESM exchanges issued by the London and Irish Stock Exchanges, the Directors have prepared the financial statements of the Group and Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS) and with those parts of the Companies Act 2014 applicable to companies reporting under EU IFRS.

Under Irish law the Directors shall not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the Group and Company's assets, liabilities and financial position as at the end of the financial year and of the profit and loss of the Group for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- comply with applicable International Financial Reporting Standards as adopted by the EU, subject to any material departures disclosed and explained in the Financial Statements
- include any additional information required by the Companies Act 2014
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Group and Company
- enable, at any time, the assets, liabilities and financial position of the Group and Company and profit or loss of the Group to be determined with reasonable accuracy
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited

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

Under applicable law and the requirements of the AIM and ESM Rules, the Directors are also responsible for preparing a Directors' report that complies with that law and those rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Directors

Robert Etchingham
19 April 2018

Niall Dolan
19 April 2018


low fuel p
BURGE
BURGER KING

Consolidated Financial Statements

Independent auditors' report to the members of Applegreen plc
Report on the audit of the financial statements

Opinion

In our opinion, Applegreen plc's Consolidated financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 December 2017 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2014; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Consolidated Financial Statements (the "Annual Report"), which comprise:

- the Consolidated and Company Statements of Financial Position as at 31 December 2017;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Company Statements of Cash Flows for the year then ended;
- the Consolidated and Company Statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality

- Overall Group materiality: €1.1 million (2016: €1.0 million) based on circa 5% of profit before income tax.
- Overall Company materiality: €2.2 million which represents circa 1% of net assets.
- 2016 materiality was set at the overall Group materiality of €1.0m

Audit scope

- Our audit work addressed each of the Group's three operating segments: Retail Ireland, Retail UK and Retail USA. Each of these is made up of a number of reporting components.
- We performed full scope audits of the complete financial information of the three financially significant reporting components in Retail Ireland and of one reporting component within Retail UK.
- Audits of or specified audit procedures on selected account balances, classes of transactions or disclosures were performed at other reporting components within the Retail Ireland, Retail UK and Retail USA operating segments.
- Audit coverage for individual line items within the Consolidated Income Statement and Consolidated Statement of Financial Position falls in the range 80% to 100%; most line items have audit coverage above 90%.

Key audit matters

- Forecourt site impairment assessment.
- Accounting for material acquisitions.
- Carrying value of Superstop assets.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Forecourt site impairment assessment Refer to page 55 (Audit Committee Report), page 84 (Significant accounting policies), page 89 (Significant accounting estimates and judgements), pages 102 and 103 (Notes to the Consolidated financial statements). At 31 December 2017, there were 342 forecourt sites in the Group's estate. Their carrying amounts are reviewed at each reporting date to determine if there is any indication of impairment. If management determines that there are indicators that the carrying value of sites may not be recoverable, an impairment test is performed for the affected sites. Management engages external experts to support elements of its process. Impairment charges recorded by the Group in previous periods are separately assessed at each reporting date to determine if the conditions which gave rise to them continue to exist. If they do not, impairment charges may be wholly or partly reversed. We regard this as a key audit matter because of the materiality of the carrying value of forecourt sites and the judgements required in determining whether there is an indication of impairment and estimating the value in use and/or fair value less costs to sell of individual sites. We focused in particular on the suitability of management's benchmark for assessing indications of impairment, the reasonableness of management's projections of future growth rates supporting cash flows at sites subject to impairment testing and the estimation of appropriate discount rates.	During 2017, management simplified its process for identifying impairment indicators and we assessed the appropriateness of this change by reference to management's separate criteria for the acquisition of new sites. We performed sensitivity analysis to establish whether any additional sites would have been identified as having indications of impairment if the criteria used in previous years had also been applied at 31 December 2017. We evaluated and tested management's process for the estimation of the value in use of each site for which impairment indicators had been found by: • Identifying and considering the appropriateness of changes to management's value in use model made during 2017. • Assessing management's budgeting process for 2018 site performance and cash flows and challenging assumptions for sites by reference to past performance and expected economic conditions in the Group's major markets. • Assessing the reasonableness, by reference to published economic forecasts, of assumed long term growth rates for the Irish and UK economies used by management to project site cash flows beyond 2018. • Evaluating the competence and objectivity of the experts engaged by management to determine discount rates to be applied to projected site cash flows. • Considering, with the assistance of PwC valuation experts, the approaches, assumptions and benchmarks used by management's valuation experts against observable market data and our experience of working with comparable companies. • Performing sensitivity analysis using alternative reasonably possible assumptions for determining future site performance. In circumstances where the value in use of a site as calculated by management was less than its carrying value, management developed an estimate of the site's fair value less costs to sell. We tested management's estimates by reference to recent reports produced by third party valuers instructed by management. We considered management's separate assessment of whether there has been sustained improvement in the performance of sites where impairment charges were taken in previous years. We tested management's assessment against records of site profitability in 2017 and preceding years. For those sites where management determined that sustained profitability improvement had occurred, we evaluated and tested management's process for the estimation of the value in use of each site and their conclusions as to whether a reversal of a previous impairment, in whole or in part, was warranted. We concluded that: • management's process for identifying impairment indicators and conducting impairment testing, where required, was reasonable; and that • the assumptions and methodologies adopted by management to assess if impairment provisions and/or reversals were required, were reasonable.

Key audit matter

Accounting for material acquisitions

Refer to page 55 (Audit Committee Report), page 87 (Significant accounting policies), page 89 (Significant accounting estimates and judgements), pages 114 to 117 (Notes to the Consolidated financial statements).

During 2017, the Group acquired businesses in the UK and the US and a 50% interest in a fuel terminal at Dublin Port. Management determined that:

- both the UK and US transactions met the definition of business combinations under IFRS 3 'Business Combinations' and engaged valuation experts to assist with the provisional purchase price allocation and fair value assessments required by IFRS 3. As permitted, the Group will finalise its valuations within twelve months of each transaction.
- the fuel terminal transaction was an asset acquisition and should be accounted for as a joint operation under IFRS 11 'Joint arrangements'.

We regard the accounting for these transactions as a key audit matter because of their significance to the financial statements, their complexity and the degree of judgement involved in identifying the appropriate accounting for the transactions and in the valuation models used for the purchase price allocation.

We focused in particular on the judgement that the UK and US transactions should be accounted for as business combinations and the process and judgements underlying the determination provisional fair values.

How our audit addressed the key audit matter

We read the legal agreements entered into by the Group arising from the three material transactions and obtained an understanding of the structure and key terms of each transaction.

With regard to the UK and US transactions:

- We assessed whether each transaction should be considered as a business combination or instead, as the purchase of assets by the Group.
- We considered management's assessment as to whether accounting policy differences existed between the Group and the newly acquired entities.
- We evaluated the competence and objectivity of the valuation experts engaged by management to assist with the purchase price allocation and fair value assessments.
- With the assistance of PwC valuation experts, we considered the approaches and assumptions used by management's valuation experts to determine the fair values of the identifiable assets and liabilities acquired. In particular, we challenged the identification and provisional valuation of intangible assets acquired.
- We assessed the reasonableness of management's calculation of the gain on bargain purchase arising in respect of the US transaction by reference to the nature of the assets and liabilities (including contingent liabilities) acquired by the Group.

With regard to the Dublin Port transaction:

- We considered its terms and challenged management's assertion that the Group and the owner of the remaining 50% interest in the fuel terminal share joint control so that no one party can direct relevant activities without the consent of the other.
- We assessed whether the transaction should be considered as a business combination as defined by IFRS 3 or instead, as the purchase of an asset by the Group.

We assessed whether the disclosures made in the Consolidated financial statements in respect of these transactions are consistent with the requirements of IFRS.

On the basis of the work performed and the evidence obtained:

- we concluded that the UK and US transactions were appropriately accounted for as business combinations and that the approaches and assumptions used by management to determine the provisional fair values of assets and liabilities acquired were reasonable; and
- we concluded that the Dublin Port transaction was appropriately accounted for as a joint operation.

We read the disclosures in the Consolidated financial statements in respect of these transactions and concluded that they were consistent with the requirements of IFRS.

Key audit matter	How our audit addressed the key audit matter
Carrying value of SuperStop assets Refer to page 55 (Audit Committee Report), page 85 (Significant accounting policies), page 90 (Significant accounting estimates and judgements), pages 104 and 119 (Notes to the Consolidated financial statements). The consolidated statement of financial position includes: • an investment in a joint venture, SuperStop (Holdings) Limited ('SuperStop') of €1m arising from a transaction during 2017 in which the Group acquired an additional 17% interest. The Group's original investment in SuperStop had previously been reduced to nil by its share of SuperStop trading losses. • Amounts owed by SuperStop totalling €2.3m (2016: €2.2m). Management has determined that these amounts are recoverable in full primarily on the basis of cash flow forecasts over the remaining life of SuperStop's contract with the National Transport Authority ('NTA'). We regard this as a key audit matter because of the materiality of these amounts, SuperStop's historic lack of profitability and the judgement involved in estimating its future cash flows.	We obtained an understanding of the Group's relationship with SuperStop by considering the rights attaching to its shareholding, the terms & conditions under which amounts have been advanced to SuperStop and the transactions that have taken place in recent years between the Group and Superstop. We read the financial statements of SuperStop in respect of the year ended 31 December 2016 and draft 2017 financial information provided to the Group by SuperStop. We evaluated and tested a model prepared by management and which forecasts SuperStop's free cash flow through to 2031, being the remaining life of its contract with the NTA, by: • Reading contract documentation between SuperStop and the NTA; • Assessing the reasonableness of the assumptions underlying management's model by reference to 2017 trading, forecast economic conditions in Ireland and the terms of SuperStop's agreement with the NTA; and • Performing sensitivity analysis by using alternative assumptions which we considered to be reasonably plausible. We concluded that the carrying value of the investments in and amounts owed by SuperStop were reasonable given the information currently available to support estimates of its future free cash flow.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along three operating segments being Retail Ireland, Retail UK and Retail USA. Each operating segment comprises a number of reporting components. The Consolidated financial statements are a consolidation of 17 reporting components across the 3 operating segments. In establishing the overall approach to the Group audit, we identified 3 reporting components, which in our view required an audit of their complete financial information due to their size and financial significance to the Group.

In order to achieve the desired level of audit evidence on each account balance in the Consolidated and Company financial statements, we selected an additional reporting component and performed an audit of its complete financial information. In addition, audits of or specified audit procedures on selected account balances were performed across the remaining 13 reporting components. The nature and extent of audit procedures were determined by our risk assessment.

Audit coverage for individual line items within the Consolidated Income Statement and Consolidated Statement of Financial Position falls in the range 80% to 100%; most line items have audit coverage above 90%.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Consolidated financial statements	Company financial statements
Overall materiality	€1.1 million (2016: €1.0 million).	€2.2 million (2016: €1.0 million).
How we determined it	5% of profit before tax.	1% of net assets.
Rationale for benchmark applied	The Group is profit oriented and profit before tax is one of the key metrics used to determine its performance.	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for head office companies. We used Group materiality in our 2016 audit. Financial statements line items that do not eliminate on consolidation have been audited to overall materiality for the consolidated financial statements.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between €0.14 million and €0.99 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €0.06 million (Group audit) (2016: €0.05 million) and €0.11 million (Company audit) (2016: €0.08 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's or the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Directors' Report and Consolidated Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 63, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (Ireland) 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 consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the Company financial statements to be readily and properly audited.
- The Company Statement of Financial Position is in agreement with the accounting records.

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Kevin Egan
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
20 April 2018

Consolidated Income Statement year ended 31 December 2017

	Notes	Year to 31 December 2017	Year to 31 December 2016
		€000	€000
Revenue	5	1,428,116	1,177,642
Cost of sales	8	(1,246,395)	(1,031,865)
Gross profit		**181,721**	**145,777**
Selling and distribution costs	8	(130,301)	(103,947)
Administrative expenses	8	(30,543)	(24,004)
Other income	7	2,164	1,166
Finance costs	10	(1,494)	197
Finance income	10	420	325
Profit before income tax		**21,967**	**19,514**
Income tax expense	11	(3,311)	(2,280)
Profit for the financial year		**18,656**	**17,234**

Earnings per share from continuing operations attributable to the owners of the parent company during the year

Basic earnings per share	6	22.48c	21.52c
Diluted earnings per share	6	21.68c	20.63c

Consolidated Statement of Comprehensive Income year ended 31 December 2017

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Profit for the financial year	**18,656**	**17,234**
Other comprehensive expense		
Items that may be reclassified to profit or loss		
Currency translation differences on foreign operations	(2,769)	(3,720)
Other comprehensive expense for the year, net of tax	**(2,769)**	**(3,720)**
Total comprehensive income for the year	**15,887**	**13,514**

Consolidated Statement of Financial Position as at 31 December 2017

	Notes	2017	2016
		€000	€000
Assets			
Non-current assets			
Intangible assets	12	16,150	2,757
Property, plant and equipment	13	299,574	219,226
Investment in joint venture	15	1,000	-
Trade and other receivables	17	422	373
Deferred income tax asset	11	5,718	4,103
		322,864	**226,459**
Current assets			
Inventories	16	35,228	30,273
Trade and other receivables	17	23,171	19,726
Assets classified as held for sale		-	165
Current income tax receivables		88	80
Cash and cash equivalents	18	57,482	29,374
		115,969	**79,618**
Total assets		**438,833**	**306,077**
Equity and liabilities			
Equity attributable to owners of the parent			
Issued share capital	23	916	805
Share premium	24	190,464	140,268
Capital contribution	24	512	512
Merger reserve	24	(65,537)	(65,537)
Currency translation reserve	24	(6,818)	(4,049)
Share based payment reserve	24	8,181	5,349
Retained earnings	24	53,591	37,663
Total equity		**181,309**	**115,011**
Non-current liabilities			
Trade and other payables	20	5,534	5,704
Borrowings	19	63,132	42,950
Deferred income tax liabilities	11	7,854	5,123
		76,520	**53,777**
Current liabilities			
Trade and other payables	20	174,901	130,948
Borrowings	19	4,545	5,849
Current income tax liabilities		1,558	492
		181,004	**137,289**
Total liabilities		**257,524**	**191,066**
Total equity and liabilities		**438,833**	**306,077**

On behalf of the directors

Robert Etchingham
19 April 2018

Niall Dolan
19 April 2018

Consolidated Statement of Changes in Equity Year ended 31 December 2017

	Issued share capital	Share premium	Capital contribution	Merger reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total
	€000	€000	€000	€000	€000	€000	€000	€000
At 01 January 2016	**796**	**139,427**	**512**	**(65,537)**	**(329)**	**2,991**	**20,429**	**98,289**
Profit for the year	-	-	-	-	-	-	17,234	17,234
Other comprehensive income	-	-	-	-	(3,720)	-	-	(3,720)
Total comprehensive income	**-**	**-**	**-**	**-**	**(3,720)**	**-**	**17,234**	**13,514**
Share based payments	-	-	-	-	-	1,441	-	1,441
Deferred tax on share based payments	-	-	-	-	-	917	-	917
Issue of ordinary share capital	9	841	-	-	-	-	-	850
At 31 December 2016	**805**	**140,268**	**512**	**(65,537)**	**(4,049)**	**5,349**	**37,663**	**115,011**
At 01 January 2017	**805**	**140,268**	**512**	**(65,537)**	**(4,049)**	**5,349**	**37,663**	**115,011**
Profit for the year	-	-	-	-	-	-	18,656	18,656
Other comprehensive income	-	-	-	-	(2,769)	-	-	(2,769)
Total comprehensive income	**-**	**-**	**-**	**-**	**(2,769)**	**-**	**18,656**	**15,887**
Share based payments	-	-	-	-	-	1,630	-	1,630
Deferred tax on share based payments	-	-	-	-	-	1,202	-	1,202
Issue of ordinary share capital (note 23)	111	50,196	-	-	-	-	(1,234)	49,073
Dividends	-	-	-	-	-	-	(1,494)	(1,494)
At 31 December 2017	**916**	**190,464**	**512**	**(65,537)**	**(6,818)**	**8,181**	**53,591**	**181,309**

Consolidated Statement of Cash Flows
Year ended 31 December 2017

	Notes	2017	2016
		€000	**€000**
Cash flows from operating activities			
Profit before income tax		21,967	19,514
Adjustments for:			
Depreciation and amortisation	8	14,103	11,162
Finance income	10	(420)	(325)
Finance costs	10	1,494	(197)
Net impairment of non-current assets	14	-	368
Share based payment expense	28	1,630	1,441
Gain on bargain purchase	25	(928)	-
Loss on the disposal of property, plant and equipment	8	812	327
		38,658	32,290
Increase in trade and other receivables		(1,934)	(4,734)
Increase in inventories		(1,692)	(7,386)
Increase in trade payables		44,039	28,923
Cash generated from operations		79,071	49,093
Income taxes paid		(1,608)	(1,404)
Net cash from operating activities		**77,463**	**47,689**
Cash flows from investing activities			
Purchase of property, plant and equipment		(76,115)	(60,763)
Purchase of intangibles		(5,210)	(1,371)
Proceeds from sale of property, plant and equipment		167	423
Purchase of subsidiary undertakings		(31,233)	-
Investment in joint venture		(1,000)	-
Interest received		400	190
Net cash used in investing activities		**(112,991)**	**(61,521)**
Cash flows from financing activities			
Proceeds from long-term borrowings		45,000	-
Proceeds from issue of ordinary share capital		49,071	850
Repayment of borrowings		(23,666)	(3,305)
Payment of finance lease liabilities		(787)	(1,028)
Interest paid		(1,768)	(1,907)
Dividends paid		(1,494)	-
Net cash from/(used in) financing activities		**66,356**	**(5,390)**
Net increase/(decrease) in cash and cash equivalents		**30,828**	**(19,222)**
Cash and cash equivalents at beginning of year		27,739	47,245
Foreign exchange losses		(1,085)	(284)
Cash and cash equivalents at end of year	18	**57,482**	**27,739**

Notes to the Consolidated Financial Statements

1. General information

Applegreen plc ('the Company') and its subsidiaries' ('the Group') principal business is the operation of petrol forecourts. The Company is a holding company whose shares are publicly traded. The Company's registration number is 491702 and is incorporated and domiciled in the Republic of Ireland. The address of its registered office is Block 17, Joyce Way, Parkwest, Dublin 12.

2. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU) and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The Company financial statements have been prepared in accordance with IFRS as adopted by the EU and the Companies Act 2014. IFRS adopted by the EU differ in certain respects from IFRS issued by the IASB. References to IFRS hereafter should be construed as references to IFRS as adopted by the EU.

2.1 Basis of preparation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company and Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

In presenting the parent Company financial statements together with the consolidated financial statements, the Company has availed of the exemption in Section 304 of the Companies Act 2014 not to present its individual Income Statement and related notes that form part of the approved Company financial statements and not to file its individual Income Statement with the Registrar of Companies.

The Company's result for the financial year, determined in accordance with IFRS, is a profit for the year of €10,215,000 (2016: €16,817,000). Details of the Company accounts can be found on pages 128-138. The Company uses the same accounting policies as the Group which are listed in section 2.3.

The consolidated financial statements have been prepared under the historical cost convention, except for the following which are recognised at fair value: available-for-sale financial assets and share based payments. The consolidated and Company financial statements are presented in Euro (€) and all values are rounded to the nearest thousand (€000), except where otherwise stated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, all its subsidiaries and joint venture as at 31 December 2017.

Subsidiaries are entities controlled by the Group. They are consolidated from the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are accounted for using the acquisition method as at the acquisition date i.e. when control is transferred to the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.2 Basis of consolidation (continued)

The acquisition method of accounting is used to account for business combinations by the Group. See section 2.3 for details of the Group's accounting policies.

All intra-group balances, transactions and unrealised gains resulting from intra-group transactions and dividends are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group determines at each reporting date whether there is any objective evidence that the equity accounted investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity accounted investment and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates/joint ventures' in the Consolidated Income Statement.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in associates and joint ventures are shown separately on the Consolidated Statement of Financial Position.

2.3 Significant accounting policies

The following are significant accounting policies applied by the Group in preparing its consolidated financial statements:

Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of consideration received or receivable, excluding value added tax and net of returns, trade discounts and including duty on goods to external customers.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, it is probable that economic benefits will flow to the Group, the associated costs can be measured reliably, there is no continuing managerial involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Retail sales

The Group's revenue is earned from fuel, shop and food sales throughout its network of service stations in Ireland, the UK and the USA. Sales of goods are recognised when the Group sells a product to the customer. Retail sales are usually in cash, by credit card or by fuelcard. Due to the nature of the products sold, the Group does not experience material levels of returns.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Revenue (continued)

Gross versus net presentation
When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction. Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related expenditure charged as an operating cost. Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis with revenue representing the commission earned.

Customer loyalty programmes
The Group operates a customer loyalty programme whereby points are awarded on the sale of goods. Revenue is recorded at the amount of the consideration received or receivable less the fair value of the points awarded. The fair value of the points awarded is deducted from the consideration received on the initial purchase and carried forward as a liability until the points are redeemed or no longer expected to be redeemed.

Interest income

Interest income is recognised using the effective interest rate method when it is probable that income will flow to the Group. When a loan or receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

Cost of sales

Cost of sales comprises the net costs of inventories recognised as an expense and other charges attributable to the acquisition of inventory.

Supplier income

Supplier rebate income is recognised in cost of goods sold concurrent with the sale of the inventories to which it relates and is calculated by reference to the expected consideration receivable from each rebate arrangement. Supplier rebate income is not recognised if there is significant uncertainty regarding recovery of the amount due. Supplier rebate income accrued but not yet received is included in accrued income.

Going concern

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group expects to operate within the level of its current banking facilities. The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro (€), which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such trading transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement.

Intercompany foreign currency transactions are also translated into the functional currency using the exchange rates prevailing at the dates of the transactions. The Group identified a number of intercompany loans which are viewed as an extension of Applegreen plc's net investment in foreign operations. As there is no intention for these loans to be repaid in the foreseeable future, these loans are considered quasi equity. Foreign exchange gains and losses arising on the retranslation of 'quasi equity' loans are recorded in the Consolidated Statement of Comprehensive Income. All other foreign exchange gains and losses on intercompany balances are recognised in the Consolidated Income Statement.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Foreign currencies (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Income Statement within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Income Statement within administrative expenses.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each Statement of Financial Position are translated at the closing rate at the date of that Statement of Financial Position;
(b) income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognised in the Statement of Comprehensive Income.

Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost plus any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in a manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Consolidated Income Statement during the financial year in which they are incurred.

Property, plant and equipment is depreciated on a straight-line basis over its expected useful life. The typical useful lives of the Group's property, plant and equipment are:

Freehold property	Over 50 years
Leasehold improvements	Over the term of the lease or useful life, whichever is lower
Plant and equipment	20 years
Fixtures & fittings	10 years
Motor vehicles	5 years
Computer hardware and software	5 years

Freehold land is not depreciated.

The expected useful lives of property, plant and equipment are reviewed and adjusted, if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising on de-recognition of the asset is recorded in the Consolidated Income Statement in the period the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is the excess of the consideration paid over the fair value of the identifiable assets, liabilities and contingent liabilities in a business combination and relates to assets which are not capable of being individually identified and separately recognised.

Goodwill acquired is allocated, at acquisition date, to the groups of Cash Generating Units (CGU's) expected to benefit from synergies related to the acquisition. Where management reassesses its groups of CGU's, goodwill is reallocated on a relative value basis.

Goodwill is measured at cost less accumulated impairment losses. The CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes. These units are no larger than the operating segments determined in accordance with IFRS 8: Operating Segments.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment exists. Where the recoverable amount of a cash generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed once recognised.

Where a subsidiary is sold, any goodwill arising on acquisition, net of any impairments, is included in determining the profit or loss arising on disposal.

Intangible assets (other than goodwill)

Intangible assets (other than goodwill) include i) franchise licences for the operation of franchised operations throughout the Group's retail network, ii) wine and off licence fees in respect of those retail stores that sell alcohol, iii) operating agreements for the exclusive sale of fuel from dealer sites and iv) brands acquired on purchase of subsidiaries.

Intangible assets acquired are initially capitalised at cost and amortised using the straight-line basis over their contractual lives as follows:

Franchises	5-25 years
Licences	10 years
Operating agreements	5 years
Brands	5 years

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Assets under construction

Capitalisation of costs in respect of constructing an asset commences when it is probable that future economic benefits associated with the asset will flow to the Group, the costs are directly attributable to the related asset and required to bring the asset into working condition. The cost of self-constructed assets includes:

- the cost of materials and labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- an estimate of the costs associated with the removal of the asset or restoration of the site when the Group has an obligation to remediate, if any.

Assets under construction are not depreciated and are assessed for impairment when there is an indicator of impairment. When these assets are ready and available for use, the assets are transferred out of assets under construction to the applicable heading under property, plant and equipment or intangible assets. At this point, depreciation begins.

Investment in joint operations

Joint operations are arrangements where the parties that have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the arrangement. The activities are undertaken by the Group in conjunction with other joint operators that involve the use of the assets and resources of those joint operators. The Group has a joint arrangement with Valero Energy (Ireland) Limited in the operation of a fuel terminal at Dublin port which is the principal place of business. Both parties have an equal interest in the undertaking.

Impairment of non-financial assets

The carrying amounts of the Group's property, plant and equipment (including assets under construction), and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If events or changes in circumstances indicate that the carrying value of property, plant and equipment, or intangible assets may not be recoverable, the Group carries out an impairment test.

When testing for impairment, assets are grouped together into the smallest group of assets that is largely independent of the Group's other cash generating streams. The recoverable amount in respect of each cash generating unit (CGU) is the higher of its fair value less cost of disposal and the value in use.

Value in use is determined by discounting to present value the estimated future cash flows expected to be derived from the CGU. The discount rate used is the Group's weighted average cost of capital reflecting current market assessments of the time value of money and the risks specific to the CGU.

Fair value is determined as the price that would be received to sell the CGU in an orderly transaction between market participants at the measurement date. Further details of the application of this policy to the Group's CGUs is set out in note 14. To the extent that the carrying amount exceeds the recoverable amount, the asset is impaired and is written down. Any impairment loss arising is recognised in the Consolidated Income Statement.

Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Investments in subsidiaries

Interests in subsidiary undertakings are measured at cost less provisions for impairment in value on the Company Statement of Financial Position. The Company carries out an impairment test if events or changes in circumstances indicate that the carrying value of the investment in a subsidiary may not be recoverable. The recoverable amount is determined by comparing the carrying value of the investment in the subsidiary against the higher of its fair value less costs to dispose and its value in use. The value in use is determined by discounting estimated future cash flows expected to be derived from the financial asset, to net present value.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Assets classified as held for sale

Assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale. Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Non-current assets classified as held for sale and liabilities directly associated with those assets are presented separately as current items in the Consolidated Statement of Financial Position.

Financial assets

Classification
The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables in the Statement of Financial Position. Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any impairment losses.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('a loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that a debtor or a group of debtors are experiencing significant financial difficulty or default or delinquency in interest or principal payments due from a debtor or a group of debtors, indicating that they will enter bankruptcy or other financial reorganisation.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Consolidated Income Statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Income Statement.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cash and cash equivalents

In the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash in hand, cash in transit, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Consolidated Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are initially recorded at fair value and subsequently at amortised cost using the effective interest rate method.

Employee benefits

The Group operates a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Income Statement in the periods during which the related services are received. Prepaid expenses are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for wages and salaries, including accumulating annual and sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Income Statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in finance costs in the period in which they are incurred.

Share based payments

The Group operate a number of equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on non-market vesting conditions and service conditions. It recognises the impact of the revision of the original estimates, if any, in the Consolidated Income Statement, with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Share based payments (continued)

The fair value of options granted by the Company over its equity instruments to the employees of subsidiary undertakings in the Group is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Where the Group receives a tax deduction for share-based payments, deferred tax is provided on the basis of the difference between the market price of the underlying equity at the date of the financial statements and the exercise price of the option.

The Employee Option Plan is administered by the Applegreen Employee Share Option Trust. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

Leases

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, assets held under finance leases are included in property, plant and equipment, at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, each asset is depreciated over the shorter of the lease term or its useful life and otherwise accounted for in accordance with the accounting policy applicable to that asset.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in current or non-current liabilities as appropriate. The interest element of the finance cost is charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Income Statement on a straight-line basis over the period of the lease.

Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

2. Statement of compliance (continued)

2.3 Significant accounting policies (continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Company's subsidiaries and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred tax is recognised if the temporary difference arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is recognised in respect of taxable temporary differences arising from investment in subsidiaries and joint venture, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

Provision for a corporation tax surcharge assessable on undistributed investment income (in accordance with Section 440, Taxes Consolidation Act 1997) is provided after the time limit of eighteen months has elapsed within which a dividend can be paid to avoid such surcharge.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital

Ordinary shares and redeemable ordinary shares that rank pari passu with ordinary shares carry no preferential dividend right. Redeemable ordinary shares are redeemable only at the option of the issuer and are classified as equity. Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recorded in retained earnings within equity.

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend, when it has been approved by the Board of Directors and paid.

Notes to the Consolidated Financial Statements (continued)

3. Significant accounting judgements and estimates

Key assumptions concerning the future, and other key sources of estimation uncertainty, at the Statement of Financial Position date, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The main assumptions and sources of judgement and estimation uncertainty are outlined below:

Impairment of non-financial assets

The carrying amounts of the Group's property, plant and equipment, and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment in accordance with the accounting policy set out in section 2.3 of these financial statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require the use of estimates. Note 14 details the assumptions used together with an analysis of the sensitivity to changes in key assumptions.

Assets under construction

The Group incurs significant levels of development expenditure on an ongoing basis in respect of the construction of new retail sites and the refurbishment of existing retail sites. Capitalisation of costs directly attributable to an asset commences when the Group has probable future economic benefits associated with the utilisation of the asset. The determination of the point at which probable future economic benefits associated with the development spend will flow to the Group requires management judgement and is subject to matters such as planning approval, revisions to planning approval and in the case of publicly funded developments, preferred bidder status. Costs incurred in the period before the Group determines it has access to the probable future economic benefits that will flow from the asset are expensed in the Consolidated Income Statement.

Taxes

The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items, where the tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The final resolution of some of these items may give rise to material Consolidated Income Statement and/or cash flow variances.

Assumptions are also made around the assets which qualify for capital allowances and the level of disallowable expenses and this affects the income tax calculation. Provisions may be made for uncertain exposures or recoveries, which can have an impact on both deferred and current tax. Assumptions are also made around the tax net book value of assets to which capital allowances apply, the level of capital allowances, the extent of rollover gains, indexation thereon and the tax base into which they have been rolled.

Business combinations

For sites acquired by the Group it is necessary to determine whether the substance of the transaction reflects the acquisition of a leasehold/freehold interest in a property or whether it may constitute the acquisition of a business. In the latter case, the transaction may give rise to goodwill in the Group financial statements as well as other identifiable assets and liabilities acquired as part of the acquisition.

Management consider the contract terms and the nature of each site acquired to appropriately conclude whether the sites acquired represent a business combination or a leasehold/freehold interest in land and buildings. Management reviewed the nature of leasehold acquisitions made in 2016 and 2017 and concluded that two transactions were business combinations. See note 25 for details.

Business combinations are accounted for using the acquisition method. This requires that the acquired assets and liabilities be recorded at their respective fair values at the date of acquisition. The application of this method requires certain estimates and assumptions relating, in particular, to the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition. To do this, the Group engaged external valuers to assess the fair value. Management then reviewed the work and assessed the results.

Agency versus principal relationships

The Group evaluates its revenue streams to ensure that the most appropriate basis for presenting revenue or costs of revenue is selected. The determination of whether the Group is acting as agent or principal requires management judgement and is subject to matters such as the substance of the trading relationship with the counterparty, the legal form and the nature of the risks transferred to the counterparty. The Group has considered these requirements and has concluded that it is agent on the sale of lottery related products, phone cards and other similar business streams.

Notes to the Consolidated Financial Statements (continued)

3. Significant accounting judgements and estimates (continued)

Lease classification

The Group enter into a significant number of property leases as part of its expansion strategy and the determination of the appropriate lease classification between finance and operating is considered a key judgement. The determination of whether lease interests represent finance or operating leases requires management judgement and is subject to matters such as contract terms, duration of the lease, nature of the interest/assets leased, the conditions upon which the lease can be exited and the nature of the risks and rewards passed to the Group on lease inception.

Recoverability of Superstop receivable

The Group has an investment of €1m in Superstop Limited on the Consolidated Statement of Financial Position at the year end (2016: €nil). Superstop also owes the Group €2.3m (2016: €2.4m). Details of these amounts are contained in note 15 and 27 respectively. Management have assessed the recoverability of this receivable and have concluded that there is no impairment issues regarding this balance.

4. New Standards adopted by the Group and new standards not yet effective

New Standards adopted by the Group

The Group adopted "Disclosure initiative – amendments to IAS 7" with effect from January 2017. The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities. This information is disclosed in note 22 in the consolidated financial statements and note 8 in the Company financial statements.

There are a number of other changes to IFRS which became effective in 2017; however, they either did not have an effect on the consolidated financial statements or they are not currently relevant for the Group.

New standards and interpretations not yet adopted

The principal standards and interpretations that are issued but not yet effective up to the date of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments, is the standard which will replace IAS 39, Financial Instruments: Recognition and Measurement. It has been completed in a number of phases with the final version issued by the IASB in July 2014 and endorsed by the EU in November 2016. The standard addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 is effective for annual periods beginning on or after 01 January 2018, and the Group will apply IFRS 9 from its effective date. The Group has assessed the impact of IFRS 9, and has concluded that the standard will not have a significant impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, replaces IAS 18, Revenue and IAS 11, Construction contracts and related interpretations. IFRS 15 was endorsed by the EU in September 2016. IFRS 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. It specifies how and when revenue should be recognised as well as requiring enhanced disclosures. Revenue is recognised when an identified performance obligation has been met and the customer can direct the use of and obtain substantially all the remaining benefits from a good or service as a result of obtaining control of that good or service. IFRS 15 is effective for annual periods beginning on or after 01 January 2018, and the Group will apply IFRS 15 from its effective date.

The Group has assessed the impact of IFRS 15. Revenue recognition under IFRS 15 is expected to be consistent with current practice for the Group's revenue. If IFRS 15 had been applied to the current reporting period, it would not have had a significant impact on the financial statements.

Notes to the Consolidated Financial Statements (continued)

4. New Standards adopted by the Group and new standards not yet effective (continued)

New standards and interpretations not yet adopted (continued)

IFRS 16 Leases

IFRS 16, Leases, issued in January 2016 by the IASB replaces IAS 17, Leases and related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model whereby all leases are accounted for as finance leases, with some exemptions. For lessors, IFRS 16 substantially carried forward the accounting requirement in IAS 17. IFRS 16 was endorsed by the EU in October 2017. It is effective for annual periods beginning on or after 01 January 2019, and, the Group will apply IFRS 16 from its effective date.

The standard will affect primarily the accounting for the Group's operating leases. The Group's non-cancellable operating lease commitments at 31 December 2017 are detailed in note 26. Some of the commitments may be covered by the exception for short-term and low-value leases and some may relate to arrangements which will not qualify as leases under IFRS 16.

IFRS 16 is expected to have a significant impact on the Group's consolidated financial statements. On adoption of IFRS 16, the Group will recognise a right of use asset and lease liability for all applicable leases. Within the income statement, rent expense will be replaced by depreciation and interest expense. This will result in a decrease in selling and distribution costs and an increase in finance costs.

The Group have set up a transition team who are currently assessing the full impact of IFRS 16. At the time of writing, it is not practical to provide a reasonable estimate of the financial effect until this review is complete.

Other changes to IFRS have been issued but are not yet effective for the Group. However, they are either not expected to have a material effect on the consolidated financial statements or they are not currently relevant for the Group.

5. Segmental analysis

Applegreen plc is a forecourt retail business headquartered in Dublin, Ireland. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the Board of Executive Directors.

The board considers the business from both a geographic and product perspective. Geographically, management considers the performance in Ireland, the UK and the USA. From a product perspective, management separately considers retail activities in respect of the sale of fuel, food and other groceries within Ireland, the UK and in the USA.

The Group is organised into the following operating segments:
Retail Ireland - Involves the sale of fuel, food and store within the Republic of Ireland.
Retail UK - Involves the sale of fuel, food and store within the United Kingdom.
Retail USA - Involves the sale of fuel, food and store within the United States of America.

The CODM monitors Revenue and Gross Profit of segments separately in order to allocate resources between segments and to assess performance.

Information regarding the results of each reportable segment is included within this note. Segment performance measures are revenue and gross profit as included in the internal management reports that are reviewed by the executive directors. These measures are used to monitor performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The CODM also reviews adjusted EBITDA on a consolidated basis. Assets and liabilities are reviewed by the CODM for the Group in its entirety and as such segment information is not provided for these items.

Notes to the Consolidated Financial Statements (continued)

5. Segmental analysis (continued)

Analysis of Revenue and Gross Profit

2017	IRL	UK	USA	Total
	€000	€000	€000	€000
Revenue				
Fuel	581,617	500,578	62,973	1,145,168
Food	76,590	21,305	5,782	103,677
Store	120,515	47,288	11,468	179,271
	778,722	**569,171**	**80,223**	**1,428,116**
Gross Profit				
Fuel	39,227	22,183	6,674	68,084
Food	44,893	10,828	3,467	59,188
Store	36,306	14,310	3,833	54,449
	120,426	**47,321**	**13,974**	**181,721**

2016	IRL	UK	USA	Total
	€000	€000	€000	€000
Revenue				
Fuel	515,762	405,517	16,240	937,519
Food	68,019	17,223	4	85,246
Store	109,652	42,332	2,893	154,877
	693,433	**465,072**	**19,137**	**1,177,642**
Gross Profit				
Fuel	32,405	18,699	1,892	52,996
Food	39,444	8,640	-	48,084
Store	31,525	12,208	964	44,697
	103,374	**39,547**	**2,856**	**145,777**

The total of non-current assets, other than financial instruments and deferred tax assets, by region is as follows:

	2017	2016
	€000	€000
Ireland	192,128	144,364
UK	111,464	73,392
USA	13,132	4,227
	316,724	**221,983**

Notes to the Consolidated Financial Statements (continued)

5. Segmental analysis (continued)

Reconciliation of profit before income tax to earnings before interest, tax, depreciation and amortisation (EBITDA), share based payments and other non-recurring charges (Adjusted EBITDA).

	Notes	Year to 31 December 2017	Year to 31 December 2016
		€000	€000
Profit before income tax		**21,967**	**19,514**
Depreciation	8	13,661	10,890
Amortisation	8	442	272
Net impairment charge	8	-	368
Net finance cost/(income)	10	1,074	(522)
EBITDA		**37,144**	**30,522**
Share based payments	28	1,630	1,441
Non-recurring charges	8	1,005	-
Adjusted EBITDA		**39,779**	**31,963**

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share	**2017**	**2016**
Profit from continuing operations attributable to the owners of the Company (€'000)	18,656	17,234
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	83,000	80,077
Basic earnings per share (cent)	**22.48**	**21.52**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which comprise share options issued under the share incentive plan. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the outstanding share options at the exercise price. Where the number of shares calculated above is less than the number of outstanding options this difference represents dilutive share options and is added to the weighted average number of ordinary shares used for calculating basic earnings per share in order to calculate the weighted average number of ordinary shares for the purpose of the diluted earnings per share.

Diluted earnings per share	**2017**	**2016**
Profit from continuing operations attributable to the owners of the Company (€'000)	18,656	17,234
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	83,000	80,077
Adjusted for:		
Potentially dilutive ordinary shares ('000)	3,060	3,471
Weighted average number of ordinary shares for diluted earnings per share ('000)	86,060	83,548
Diluted earnings per share (cent)	**21.68**	**20.63**

Notes to the Consolidated Financial Statements (continued)

7. Other operating income

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Rental income – operating lease	1,220	489
Commission from operation of automated teller machines	394	356
Other operating income	550	321
	2,164	**1,166**

8. Expenses

Profit before tax is stated after charging/(crediting):

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Cost of inventory recognised as expense	1,220,265	1,011,203
Other external charges	26,130	20,662
Employee benefits (note 9)	78,244	63,994
Share based payments (1)	1,630	1,441
Operating lease charges (2)	18,309	13,912
Amortisation of intangible assets	442	272
Depreciation of property, plant and equipment	13,661	10,890
Foreign exchange (gain)/loss	(268)	381
Auditors remuneration (3)	745	358
Net impairment charge (note 14)	-	368
Loss on disposal of assets	812	327
Utilities	6,794	5,560
Rates	5,617	4,818
Non-recurring charges (4)	1,005	-
Other operating charges	33,853	25,630
	1,407,239	**1,159,816**

(1) Included in the charge of €1.6m (2016: €1.4m) for share based payments is a charge of €0.3m (2016: €0.5m) in respect of share options granted during the year under a new share option scheme.

(2) Operating lease rentals are split as follows:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Land and buildings	18,168	13,798
Motor vehicles	141	114
	18,309	**13,912**

Notes to the Consolidated Financial Statements (continued)

8. Expenses (continued)

(3) The Group obtained the following services from the Group's auditors at cost as detailed below:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Audit of the Group financial statements	120	65
Audit of subsidiaries	205	150
Other audit related services	15	15
Total audit and audit related fees	340	230
Tax compliance and advisory services	97	115
Other non-audit services	308	13
	745	**358**

(4) Non recurring charges relates to acquisition costs of €1.9m incurred during 2017 offset by a gain of €0.9m in respect of the fair value of net assets acquired over the aggregate consideration transferred arising from the Brandi Group acquisition.

9. Employee benefits

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Wages and salaries	71,181	58,330
Social security costs	6,431	5,312
Staff pensions – defined contribution scheme	632	352
Share based payments (note 28)	1,630	1,441
Total employee benefit expense	**79,874**	**65,435**

Total charge analysed between:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Selling and distribution costs	65,809	53,663
Administrative expenses	14,065	11,772
	79,874	**65,435**

Capitalised employee costs during the financial year amounted to €903,000 (2016: €901,000).

The Group operates defined contribution pension schemes in Ireland and the UK.

Notes to the Consolidated Financial Statements (continued)

9. Employee benefits (continued)

The average number of persons (excluding directors) employed directly by the Group was:

	Year to 31 December 2017	Year to 31 December 2016
	Number	Number
Retail	3,588	2,744
Administration	197	164
	3,785	**2,908**

Directors' remuneration is disclosed below:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Directors' emoluments	1,107	1,575
Post-employment benefits	32	33
Termination benefits	445	-
	1,584	**1,608**

Further details are shown in the Remuneration Committee Report on page 59.

10. Finance costs and income

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Finance costs		
Bank loans and overdrafts	1,718	1,485
Net exchange gains on foreign currency borrowings *	(345)	(1,724)
Lease finance charges and hire purchase interest	319	308
Borrowing costs capitalised	(198)	(266)
	1,494	**(197)**
Finance income		
Interest income on loans to joint venture	(416)	(321)
Interest income on loans to staff	(4)	(4)
	(420)	**(325)**
Net finance cost/(income)	**1,074**	**(522)**

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 2.05% (2016: 2.02%).

* The foreign exchange gains arises primarily in respect of non-Euro denominated debt.

Notes to the Consolidated Financial Statements (continued)

11. Taxation

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Current tax		
Current tax expense - Ireland	1,232	834
Current tax expense - overseas	1,234	860
Adjustments in respect of previous periods	(220)	216
Total current tax	**2,246**	**1,910**
Deferred tax		
Origination and reversal of temporary differences	1,065	370
Total deferred tax	**1,065**	**370**
Total tax	**3,311**	**2,280**

The total tax expense can be reconciled to accounting profit as follows:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Profit before tax from continuing operations	21,967	19,514
Income tax at 12.5% (2016: 12.5%)	2,746	2,439
Non tax deductible expenses	1,786	342
Non-taxable income	(1,461)	(1,039)
Income taxable at higher rates	460	322
Adjustments in respect of previous periods	(220)	216
Total income tax expense	**3,311**	**2,280**

Factors affecting the tax charge in future years

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the Consolidated Financial Statements (continued)

11. Taxation (continued)

Deferred income tax:

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 December 2016:

	Property, plant and equipment	Intangibles	Tax losses and credits	Share based payments	Short term temporary and other differences	Total
	€000	€000	€000	€000	€000	€000
At 01 January 2016	**1,958**	-	**(244)**	**-**	**16**	**1,730**
Consolidated Income Statement movement	534	-	-	(327)	163	370
Share based payments reserve	-	-	-	(917)	-	(917)
Exchange differences and other	(165)	-	-	2	-	(163)
At 31 December 2016	**2,327**	**-**	**(244)**	**(1,242)**	**179**	**1,020**
Analysed as follows:						
Deferred tax asset	(2,609)	-	(244)	(1,242)	(8)	(4,103)
Deferred tax liability	4,936	-	-	-	187	5,123
	2,327	**-**	**(244)**	**(1,242)**	**179**	**1,020**

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 December 2017:

	Property, plant and equipment	Intangibles	Tax losses and credits	Share based payments	Short term temporary and other differences	Total
	€000	€000	€000	€000	€000	€000
At 01 January 2017	**2,327**	-	**(244)**	**(1,242)**	**179**	**1,020**
Consolidated income statement	1,532	-	(256)	(219)	8	1,065
Share based payments reserve	-	-	-	(1,202)	-	(1,202)
Acquisitions (note 25)	119	1,189	-	-	-	1,308
Exchange difference and other	(52)	(14)	-	11	-	(55)
At 31 December 2017	**3,926**	**1,175**	**(500)**	**(2,652)**	**187**	**2,136**
Analysed as follows:						
Deferred tax asset	(2,553)	-	(500)	(2,652)	(13)	(5,718)
Deferred tax liability	6,479	1,175	-	-	200	7,854
	3,926	**1,175**	**(500)**	**(2,652)**	**187**	**2,136**

Of the €2.1m net deferred tax liability at 31 December 2017, the majority of this is expected to be settled after more than twelve months.

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Group has only recognised deferred tax assets in relation to impairments up to the value that it offsets the value of recognised deferred tax liabilities on the revaluation of land. Within the Group there are available impairments of land of €7.1m (2016: €7.0m) which would result in deferred tax assets of €2.3m (2016: €2.3m) on impairments of land.

Notes to the Consolidated Financial Statements (continued)

12. Intangible Assets

	Goodwill	Branding	Operating agreements	Franchises	Licences	Assets under construction	Total
	€000	€000	€000	€000	€000	€000	€000
Cost							
At 01 January 2016	-	-	**235**	**755**	**1,344**	-	**2,334**
Additions	-	-	295	414	185	512	1,406
Disposals	-	-	(12)	-	(9)	-	(21)
Translation adjustment	-	-	-	(12)	(7)	-	(19)
At 31 December 2016	-	-	**518**	**1,157**	**1,513**	**512**	**3,700**
Amortisation							
At 01 January 2016	-	-	**24**	**175**	**475**	-	**674**
Amortisation charge	-	-	75	55	142	-	272
Disposals	-	-	(1)	-	-	-	(1)
Translation adjustment	-	-	-	(1)	(1)	-	(2)
At 31 December 2016	-	-	**98**	**229**	**616**	-	**943**
Net book value							
31 December 2016	-	-	**420**	**928**	**897**	**512**	**2,757**
01 January 2016	-	-	**211**	**580**	**869**	-	**1,660**

	Goodwill	Branding	Operating agreements	Franchises	Licences	Assets under construction	Total
	€000	€000	€000	€000	€000	€000	€000
Cost							
At 01 January 2017	-	-	**518**	**1,157**	**1,513**	**512**	**3,700**
Additions	-	-	79	516	272	4,902	5,769
Acquisitions (note 25)	3,736	455	-	4,202	-	-	8,393
Disposals	-	-	-	(94)	(173)	-	(267)
Translation adjustment	(45)	(26)	-	(260)	(5)	-	(336)
At 31 December 2017	**3,691**	**429**	**597**	**5,521**	**1,607**	**5,414**	**17,259**
Amortisation							
At 01 January 2017	-	-	**98**	**229**	**616**	-	**943**
Disposals	-	-	-	(94)	(173)	-	(267)
Amortisation charge	-	23	106	157	156	-	442
Translation adjustment	-	(2)	-	(6)	(1)	-	(9)
At 31 December 2017	-	**21**	**204**	**286**	**598**	-	**1,109**
Net Book Value							
31 December 2017	**3,691**	**408**	**393**	**5,235**	**1,009**	**5,414**	**16,150**
01 January 2017	-	-	**420**	**928**	**897**	**512**	**2,757**

Notes to the Consolidated Financial Statements (continued)

12. Intangible Assets (continued)

Amortisation charge

The amortisation charge has been split between administration expenses of €17,000 (2016: €23,000) and selling and distribution costs of €425,000 (2016: €249,000).

Capital expenditure commitments

The Group has commitments of €nil (2016: €150,000) for capital expenditure on assets under construction at the financial year end contracted for but for which no provision has been made.

13. Property, plant and equipment

	Land and buildings	Plant and equipment	Fixtures, fittings and motor vehicles	Computer hardware and software	Assets under construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 01 January 2016	**141,596**	**11,927**	**53,428**	**8,079**	**19,920**	**234,950**
Additions	23,459	4,725	18,587	2,999	9,126	58,896
Disposals	(1,482)	(144)	(681)	(101)	(392)	(2,800)
Reclassifications	8,897	144	444	13	(9,498)	-
Translation adjustment	(6,054)	(353)	(2,462)	(267)	(1,512)	(10,648)
At 31 December 2016	**166,416**	**16,299**	**69,316**	**10,723**	**17,644**	**280,398**
Depreciation/impairment						
At 01 January 2016	**31,788**	**1,912**	**16,161**	**2,840**	**-**	**52,701**
Charge for the year	2,518	754	5,920	1,698	-	10,890
Disposals	(946)	(41)	(217)	(36)	-	(1,240)
Net impairment charge	35	145	166	22	-	368
Translation adjustment	(905)	(27)	(520)	(95)	-	(1,547)
At 31 December 2016	**32,490**	**2,743**	**21,510**	**4,429**	**-**	**61,172**
Net book value						
31 December 2016	**133,926**	**13,556**	**47,806**	**6,294**	**17,644**	**219,226**
01 January 2016	**109,808**	**10,015**	**37,267**	**5,239**	**19,920**	**182,249**

Notes to the Consolidated Financial Statements (continued)

13. Property, plant and equipment (continued)

	Land and Buildings	Plant and equipment	Fixtures, fittings and motor vehicles	Computer hardware and software	Assets under construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 01 January 2017	**166,416**	**16,299**	**69,316**	**10,723**	**17,644**	**280,398**
Additions	30,090	14,864	19,319	2,153	9,594	76,020
Acquisitions (note 25)	19,568	2,258	963	71	-	22,860
Disposals	(919)	(448)	(8,804)	(1,913)	(733)	(12,817)
Reclassifications	7,532	297	1,064	209	(9,102)	-
Translation adjustment	(2,574)	(381)	(943)	(90)	(302)	(4,290)
At 31 December 2017	**220,113**	**32,889**	**80,915**	**11,153**	**17,101**	**362,171**
Depreciation/impairment						
At 01 January 2017	**32,490**	**2,743**	**21,510**	**4,429**	**-**	**61,172**
Charge for the year	2,913	1,272	7,428	2,048	-	13,661
Disposals	(866)	(404)	(8,610)	(1,890)	-	(11,770)
Translation adjustment	(218)	(26)	(186)	(36)	-	(466)
At 31 December 2017	**34,319**	**3,585**	**20,142**	**4,551**	**-**	**62,597**
Net Book Value						
31 December 2017	**185,794**	**29,304**	**60,773**	**6,602**	**17,101**	**299,574**
01 January 2017	**133,926**	**13,556**	**47,806**	**6,294**	**17,644**	**219,226**

Included in additions is the purchase of a 50% interest in a Dublin Port Fuel Terminal for a total consideration of €16.2m. The Group has a joint arrangement with Valero Energy (Ireland) Limited in the operation of this terminal.

Depreciation charge

The depreciation charge has been split between administration expenses of €1.4m (2016: €1.3m) and selling and distribution costs of €12.3m (2016: €9.6m).

Assets under construction

Assets under construction as at 31 December 2017 includes the following significant projects; eight service stations in the Republic of Ireland (€13.5m), one motorway service area in Northern Ireland (€0.7m) and one service station in the US (€1.1m). The remaining amounts relate to several other developments across all regions.

Capital expenditure commitments

The Group has commitments of €1.3m (2016: €3.1m) for capital expenditure on property, plant and equipment at the financial year end contracted for but for which no provision has been made.

Capitalised Interest

Interest capitalised on qualifying assets during the year amounted to €198,000 using an average rate of 2.05% (2016: €266,000 using an average rate of 2.02%).

Assets pledged as security

Assets with a carrying value of €2.6m (2016: €3.1m) have been pledged as security to the Group's leasing providers. The Group was not permitted to pledge these assets as security for other borrowings or sell these assets to another entity without the prior consent of the Group's lenders.

Notes to the Consolidated Financial Statements (continued)

13. Property, plant and equipment (continued)

Assets held under finance leases

	Year ended 31 December 2017			Year ended 31 December 2016		
	Cost	NBV	Depreciation charge	Cost	NBV	Depreciation charge
	€000	€000	€000	€000	€000	€000
Land and buildings	1,783	1,506	40	1,846	1,799	26
Plant and equipment	646	498	32	758	530	43
Fixtures and fittings	3,066	1,637	311	3,919	1,977	424
Computer hardware	1,062	507	208	1,210	685	156
	6,557	**4,148**	**591**	**7,733**	**4,991**	**649**

The Group leases various assets under non-cancellable finance lease agreements. The lease terms are between 3 and 101 years.

14. Impairment

The Group operates a number of service station sites in Ireland, the UK and the USA. The Group considers each individual site as a cash generating unit (CGU) for the purpose of impairment assessment in accordance with IAS 36 'Impairment of assets'. Impairment assessments are conducted at this level when indicators of impairment are considered to exist. The recoverable amounts of sites that are assessed for impairment have been determined based on the higher of value-in-use methodology or fair value less costs of disposal.

There was no impairment charge recorded in 2017.

In 2016, an impairment charge of €1,510,000 was recognised in the Consolidated Income Statement within selling and distribution costs. The 2016 impairment charge relates to nine service stations in Ireland and the UK. Impairment indicators for seven sites were identified when these sites failed to meet profitability expectations and the impairment charge arises from lower forecasts for profitability in respect of these sites as a result of trading conditions. Impairment of two sites occurred as the sites were identified as assets held for sale. The recoverable amount of these service stations was €6,790,000 of which €6,475,000 represented seven sites determined on a value in use basis and €315,000 represented two sites determined on a fair value less costs of disposal basis.

Value in use

	31 December 2017		31 December 2016	
	Ireland	UK	Ireland	UK
	€000	€000	€000	€000
Value in use	-	-	3,285	3,190
Carrying value	-	-	(3,985)	(3,854)
Impairment charge	**-**	**-**	**(700)**	**(664)**

Significant assumptions used in the value in use assessments are summarised below:

	31 December 2017		31 December 2016	
	Ireland	UK	Ireland	UK
Discount rate	7.61%	7.68%	8.05%	8.11%
Long term growth rate	2%	2%	2%	2%
Market risk free rate	0.71%	1.19%	0.77%	0.77%

Notes to the Consolidated Financial Statements (continued)

14. Impairment (continued)

Cash flows used in the value in use assessment are calculated based on management's best estimate of pre-tax cash flow for each individual site for 2018 and forecasted thereafter over the remaining useful life of the assets in the site using long term growth rates. Cash flows used in the value in use assessment also include capital maintenance expenditure required to maintain the site assets in their current condition.

The above assumptions are subject to sensitivity analysis and the impairment review performed is predominantly dependent upon the judgements used in arriving at the future growth rates and the discount rates used in the cash flow projections. Cash flow projections have been performed over the remaining life of each cash generating unit (maximum 50 years).

The impact on the impairment charge of applying a 10% reduction to the long term growth rate would result in an impairment charge of €1,411,000 (2016: increase the impairment charge by €160,000). The impact of a 5% increase in the discount rate would result in an impairment charge of €1,641,000 (2016: increase the impairment charge by €357,000). The impact of a 10% reduction in pre-tax cash flow would result in an impairment charge of €1,184,000 (2016: increase the impairment charge by €1,885,000).

Fair value less costs of disposal

	31 December 2017		31 December 2016	
	Ireland	UK	Ireland	UK
	€000	€000	€000	€000
Fair value less cost of disposal	-	-	315	-
Carrying value	-	-	(461)	-
Impairment charge	**-**	**-**	**(146)**	**-**

During 2016, two sites in Ireland were identified as held for sale. The recoverable amounts for these sites assessed for impairment were based on fair value less costs of disposal. The valuation was consistent with external sources of information. At 31 December 2016, one of these sites was sold and the sale of the other was completed in early 2017. An independent valuation of this site was performed by valuers to determine the fair value. An impairment charge of €146,000 was recognised in respect of these sites in 2016.

The fair value measurement of each of the two sites is categorised within level 2 of the fair value hierarchy of IFRS 13 'Fair Value Measurement' and is based on inputs, other than quoted prices, that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 2 fair values of sites are derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity to the Group's sites are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot based on market value.

Impairment reversals

Management performs a review in respect of sites that had previously been impaired for indicators of improved performance at each reporting period. Performance is deemed to have improved if positive profitability trends are present for a period of three consecutive years. There were no impairment reversals in 2017. In 2016, two sites in Ireland and one in the UK were identified as showing improved performance for which a value in use assessment was performed resulting in an impairment reversal of €1,520,000. The reversal arose following an improvement in trading conditions at these sites that is expected to be maintained. After adjusting for the impact of depreciation of €378,000, an impairment reversal of €1,142,000 was recorded in selling and distribution costs in the Consolidated Income Statement in 2016.

Impairment of goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Goodwill acquired in a business combination is allocated to CGUs. In this case, the seven Carsley sites that were acquired, are viewed as one CGU.

The recoverable amount of the cash generating unit is determined based on value-in-use calculations similar to the above. Cash flows used in the value in use assessment are calculated based on management's best estimate of pre-tax cash flow for the CGU for 2018 and forecasted thereafter over the remaining useful life of the assets in the site using long term growth rates. The same assumptions mentioned above are used for these calculations. At the year end, no indicators of impairment existed and therefore, no testing was required.

Notes to the Consolidated Financial Statements (continued)

15. Investment in joint venture

Company	Investment held by	Principal activity	Country of incorporation	% equity held 2017	% equity held 2016
SuperStop Limited	SuperStop Holdings Limited	Operation of Motorway Service areas	Republic of Ireland	50	33.33

Superstop Limited was established as part of a joint consortium with Petrogas Group Limited, Tedcastles Oil Products Limited and Pierse Contracting Limited. The consortium was awarded the public-private partnership contract to design, build, maintain and operate six motorway service areas by Transport Infrastructure Ireland (TII). This investment was treated as an associate in the Group financial statements.

During 2017, Petrogas Group Limited and Tedcastles Oil Products Limited purchased Pierse Contracting Limited's shareholding. This investment increased the Group share to 50% and therefore is now being treated as a joint venture in the Group financial statements using the existing equity method of accounting. The Company is a private entity which is not listed on any public exchange and, therefore, there is no published quotation price for the fair value of this investment.

The following table provides summarised information on the Group's investment in the Company undertaking:

	2017	2016
	€000	€000
Investment in joint venture - unquoted		
At 01 January	**2,135**	**2,135**
Acquisition of long term loan notes	1,000	-
At 31 December	**3,135**	**2,135**
Share of losses retained by joint venture		
At 01 January	**(2,135)**	**(2,135)**
Share of loss for the year	-	-
At 31 December	**(2,135)**	**(2,135)**
Net investment in joint venture	**1,000**	**-**

The Group ceased to recognise its share of losses in Superstop Limited during 2012 as the Group's share of losses reached the carrying value of the Group's interest in the joint venture (including long term interests of €2.1m).

The Group's share of unrecognised losses amounts to €2.6m (2016: €3.1m).

16. Inventories

	2017	2016
	€000	€000
Raw materials and consumables	1,203	981
Finished goods	34,025	29,292
	35,228	**30,273**

The cost of inventories recognised as an expense and included in cost of sales amounted to €1,220m (2016: €1,011m).

Notes to the Consolidated Financial Statements (continued)

17. Trade and other receivables

	2017	2016
	€000	€000
Current		
Trade receivables	9,485	4,834
Provision for impairment	(242)	(265)
Deposits received from customers	(83)	(45)
Net trade receivables	**9,160**	**4,524**
Accrued income	3,740	2,561
Prepayments	4,846	3,455
Other debtors	2,980	5,161
Withholding tax receivable	24	24
VAT receivable	11	1,355
Amounts due from related companies (note 27)	2,410	2,646
	23,171	**19,726**
Non-current		
Other debtors	422	373
	422	**373**

Current trade and other receivables are non-interest bearing and are generally less than 30 day credit terms. Non-current debtors relates to loans advanced to our dealer network. The fair values of non-current trade and other receivables approximates to their carrying value. The fair value has been determined on the basis of discounted cash flows.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2017	2016
	€000	€000
Euro	14,073	15,506
UK Pound Sterling	6,782	3,572
US Dollar	2,316	648
	23,171	**19,726**

The ageing analysis of gross trade receivables based on invoice date is as follows:

	2017	2016
	€000	€000
Amounts falling due within one year:		
Less than 1 month	6,641	3,743
Greater than 1 month but less than 2 months	2,007	261
Greater than 2 months but less than 3 months	200	258
3 months or greater	637	572
	9,485	**4,834**

Notes to the Consolidated Financial Statements (continued)

17. Trade and other receivables (continued)

As of 31 December 2017, trade receivables of €2.6m (2016: €0.8m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables based on invoice date is as follows:

	2017	2016
	€000	€000
Duration overdue		
Less than 1 month	2,007	235
Greater than 1 month but less than 2 months	156	249
Greater than 2 months but less than 6 months	402	301
6 months or greater	37	41
	2,602	**826**

As of 31 December 2017, trade receivables of €242,000 (2016: €265,000) were impaired. These amounts have been provided in full. The individually impaired receivables mainly relate to customers that are in difficult economic situations.

	2017	2016
	€000	€000
At 01 January	**265**	**221**
Additional provisions	200	167
Unused amounts reversed	(223)	(123)
At 31 December	**242**	**265**

The ageing of these receivables based on invoice date is as follows:

	2017	2016
	€000	€000
Duration overdue		
Less than 1 month	-	26
Greater than 1 month but less than 2 months	44	9
Greater than 2 months but less than 6 months	98	82
6 months or greater	100	148
	242	**265**

18. Cash and cash equivalents

Cash and cash equivalents are included in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows and, are analysed as follows:

	2017	2016
	€000	€000
Cash at bank	40,815	21,002
Cash in transit	16,667	8,372
Cash and cash equivalents (excluding bank overdrafts)	**57,482**	**29,374**

Notes to the Consolidated Financial Statements (continued)

18. Cash and cash equivalents (continued)

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2017	2016
	€000	€000
Cash and cash equivalents	57,482	29,374
Bank overdrafts (note 19)	-	(1,635)
	57,482	**27,739**

Non-cash transactions
There were no significant non-cash transactions during 2017 or 2016.

19. Borrowings

	2017	2016
	€000	€000
Current		
Bank overdrafts	-	1,635
Bank loans	3,820	3,465
Finance leases	725	749
	4,545	**5,849**
Non-current		
Bank loans	60,615	39,723
Finance leases	2,517	3,227
	63,132	**42,950**
Total borrowings	**67,677**	**48,799**

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2017	2016
	€000	€000
Euro	56,688	34,823
UK Pound Sterling	10,989	13,976
	67,677	**48,799**

Notes to the Consolidated Financial Statements (continued)

19. Borrowings (continued)

Maturity profile of bank loans

	2017	2016
	€000	€000
Within one year	3,820	3,465
Between one and two years	4,203	3,805
Between two and five years	56,412	35,918
	64,435	**43,188**

The value of undrawn bank loans at 31 December 2017 was €20m (2016: €25m). The carrying amounts of the current and non-current borrowings equate to their fair value as the borrowings incur interest charges based on variable rates reflected in the Consolidated Income Statement using the effective interest rate method. There has been limited change in credit or other risk characteristics of the Group since the debt was originally drawn down by the Group in December 2013. The fair value has been determined on the basis of discounted cash flows.

Bank overdrafts

Bank overdrafts are short term financing and are repayable on demand. At 31 December 2017, the Group had access to overdraft facilities totalling €10m and £1.7m.

Bank loans

As part of the Group refinancing that occurred during 2013, long term loan finance was obtained from Ulster Bank Ireland and Allied Irish Bank plc. Finance totalling €32m and £8.5m was obtained with all loan facilities due to mature in 2019.

In March 2015, the Group extended its banking arrangements with its senior lenders, Ulster Bank Ireland and Allied Irish Bank plc. These new arrangements extended the maturity of the Group's debt and made additional facilities available to the Group. Finance totalling €62.4m and £9.7m was obtained, with all loan facilities due to mature in March 2020.

In August 2017, the Group secured an increase to its revolving credit facilities of €20m, also due to mature in March 2020.

All facilities are on floating rate terms based on Euribor for loans denominated in Euro and Libor for loans denominated in Pound Sterling.

Group bank borrowings are stated net of unamortised issue costs of €479,000 (2016: €737,000). These issue costs were incurred in respect of the five year senior debt facility entered into in December 2013. Additional fees were incurred during 2015 when further funding was drawn down.

These costs together with the interest expense are allocated to the Consolidated Income Statement over the five year term of the facility using the effective interest rate method.

Guarantees and security

As security for loans advanced by Ulster Bank Ireland and Allied Irish Bank plc, the following charges have been granted:
(i) Debenture or equivalent over all material group subsidiaries; and
(ii) Fixed charge on shares in all material subsidiaries.

In addition, joint and several guarantees of the obligations of the borrower by Applegreen plc and seven other group companies have been granted.

Notes to the Consolidated Financial Statements (continued)

20. Trade and other payables

	2017	2016
	€000	€000
Current		
Trade payables and accruals	164,820	126,105
Other creditors	3,121	1,073
Deferred income	824	1,045
Value added tax payable	2,637	396
Other taxation and social security	3,140	1,910
Amounts due to related parties (note 27)	359	419
	174,901	**130,948**
Non-current		
Deferred income	5,534	5,704
	5,534	**5,704**

Trade and other payables are non-interest bearing and are generally on 30 day credit terms. The fair values of current trade and other payables are equivalent to their carrying value.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2017	2016
	€000	€000
Current		
Euro	86,169	41,284
UK Pound Sterling	82,205	83,837
US Dollar	6,527	5,827
	174,901	**130,948**
Non-current		
Euro	4,206	4,416
UK Pound Sterling	1,328	1,288
US Dollar	-	-
	5,534	**5,704**

Notes to the Consolidated Financial Statements (continued)

21. Capital and financial risk management

The main risks affecting the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

The Group's exposure to changes in interest rates arises in respect of its floating rate borrowings. The Group regularly reviews its loan agreements with a view to fixing a portion of its interest rates if deemed appropriate. At the financial year end, no loan balances were held on fixed interest rates as the floating rate is considered advantageous to the Group. Management review the need to engage in hedging activities with respect to interest rate risk on negotiating new financing facilities.

Based on the Group's net debt position at the year-end a movement of 100 basis points in base market interest rates would affect the Group's profit before tax by approximately €517,000 (2016: €307,000).

Foreign currency risk

The Group currently purchases goods for resale in foreign currency on a tactical basis where the cost and risk of foreign currency purchasing is materially less than local purchasing.

The Group's activities in the UK and USA are conducted primarily in their local currencies. Variances arising from foreign currency translations are reflected in operating costs or in costs of sales in the Consolidated Income Statement in the year in which they arise. The principal foreign exchange risk arises from fluctuations in the Euro value of the Group's investments in Pounds Sterling and US Dollars. The Group manages its borrowings where practical and cost effective, to partially hedge these foreign currency assets. Hedging is done using currency borrowings in the same currency as the assets held by the operations using the borrowings.

A portion of the Group's borrowings is denominated in Pounds Sterling and carried in Euro in the Statement of Financial Position. A movement of 10% in exchange rates would change the carrying value of borrowings by €918,000 (2016: €1,030,000).

Credit risk

Credit risk arising in the context of the Group's operations is not significant with the total bad debt provision at the Statement of Financial Position date amounting to 3% of gross trade receivables (2016: 5.5%). Customer credit risk is managed centrally according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits established where appropriate. Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date. Significant balances are reviewed individually while smaller balances are grouped and assessed collectively.

Receivables balances are in general unsecured and non-interest-bearing.

Cash and cash equivalents give rise to credit risk on amounts due from counterparty financial institutions (stemming from their insolvency or a downgrade in their credit ratings). Dealings are restricted to those banks with the relevant combination of geographic presence and investment grade rating. The Group continually monitors the credit ratings of its counterparties and the credit exposure to each counterparty.

Liquidity risk

The Group's policy in relation to liquidity and cash flow risk is to ensure sufficient resources are available from cash balances or cash flows so that all obligations can be met when they fall due. To achieve this, the Group operates a demand deposit account for excess cash, as it is continuously redeveloping and incurring capital expenditure on service stations, and managing working capital peaks and troughs for trading seasonality and timing of payments.

Notes to the Consolidated Financial Statements (continued)

21. Capital and financial risk management (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December 2017 and 31 December 2016, based on contractual undiscounted payments, including interest:

2017	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
	€000	€000	€000	€000	€000
Bank loans and overdrafts	5,369	5,661	56,465	-	67,495
Finance leases	930	419	775	13,356	15,480
Trade payables	164,820	-	-	-	164,820
Other creditors	3,945	321	954	4,259	9,479
Amounts due to related parties	359	-	-	-	359
	175,423	**6,401**	**58,194**	**17,615**	**257,633**

2016	<1 Year	1-2 Years	2-5 Years	>5 Years	Total
	€000	€000	€000	€000	€000
Bank loans and overdrafts	6,214	4,882	36,911	-	48,007
Finance leases	1,006	915	934	13,900	16,755
Trade payables	126,105	-	-	-	126,105
Other creditors	2,118	326	974	4,404	7,822
Amounts due to related parties	419	-	-	-	419
	135,862	**6,123**	**38,819**	**18,304**	**199,108**

Commodity price risk management

The Group is exposed to commodity cost risk in its fuel retail businesses. Market dynamics are such that these commodity cost price movements are immediately reflected in oil commodity sales prices and, within a short period the resale prices of recycled oil products. However, the Group's exposure is considered minimal as a natural hedge is in place between the purchase price of the commodity from suppliers and the ultimate resale to customers. The Group does not use hedging instruments to manage commodity price risk.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or buy back existing shares, increase or reduce debt or sell assets. The Group includes borrowings in its measure of capital. The Group's borrowings are subject to covenants which have been complied with throughout the year.

The policy for net debt is to ensure a structure of longer term debt funding and cash balances with deposit maturities up to three months.

Notes to the Consolidated Financial Statements (continued)

21. Capital and financial risk management (continued)

Capital management (continued)

The capital structure of the Group, which includes equity and net debt, may be summarised as follows:

	2017	2016
	€000	€000
Total borrowings (note 19)	67,677	48,799
Less: cash and cash equivalents (note 18)	(57,482)	(29,374)
Net debt	10,195	19,425
Total equity	181,309	115,011
Total capital	**191,504**	**134,436**

22. Movements of liabilities within cash flows arising from financing activities and net debt reconciliations

	Bank loans	Lease liabilities	Changes in liabilities arising from financing activities	Cash and cash equivalents	Net debt
	€000	€000	€000	€000	€000
At 31 December 2016	**(43,188)**	**(3,976)**	**(47,164)**	**27,739**	**(19,425)**
Cash flows	(21,334)	787	(20,547)	30,828	10,281
Other non-cash movements	(258)	(122)	(380)	-	(380)
Translation adjustment	345	69	414	(1,085)	(671)
At 31 December 2017	**(64,435)**	**(3,242)**	**(67,677)**	**57,482**	**(10,195)**

23. Share capital

	Ordinary	
	No.	€
Authorised shares of €0.01 each		
At 31 December 2016	1,000,000,000	10,000,000
At 31 December 2017	1,000,000,000	10,000,000
Called up, issued and fully paid shares of €0.01 each		
At 01 January 2016	**79,621,053**	**796,210**
Allotted	850,000	8,500
At 01 January 2017	**80,471,053**	**804,710**
Allotted	11,087,105	110,871
At 31 December 2017	**91,558,158**	**915,581**

Notes to the Consolidated Financial Statements (continued)

23. Share capital (continued)

The holders of ordinary shares are entitled to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders also have the right to receive notice of and attend and vote at all general meetings of the Company and they are entitled, on a poll or a show of hands, to one vote for every ordinary share they hold. Votes at general meetings may be given either personally or by proxy. Subject to the Companies Acts and any special rights or restrictions as to voting attached to any shares, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a representative duly authorised, shall have one vote, so, that no individual shall have more than one vote for every share carrying voting rights and on a poll every member present in person or by proxy shall have one vote for every share of which they are the holder.

2017

During 2017, the Company issued 8,082,105 ordinary shares of €0.01 at an issue price of €5.80/£5.09 per share, resulting in gross proceeds of €46.3 million. Share premium of €46.2m was recorded on these shares. Directly attributable issue costs of €1.2m have been deducted from retained earnings.

3,005,000 share options were exercised during 2017. Share premium of €4m was recorded on these shares.

These funds have been used and will be used to further expand the Group.

2016

850,000 share options with an exercise price of €1.00 were exercised. Share premium of €841,500 was recorded on these shares.

24. Reserves

	Share premium	Capital contribution	Merger reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total
	€000	€000	€000	€000	€000	€000	€000
At 01 January 2016	**139,427**	**512**	**(65,537)**	**(329)**	**2,991**	**20,429**	**97,493**
Profit for the year	-	-	-	-	-	17,234	17,234
Other comprehensive income	-	-	-	(3,720)	-	-	(3,720)
Share based payments	-	-	-	-	1,441	-	1,441
Deferred tax on share based payments	-	-	-	-	917	-	917
Issue of ordinary share capital (note 23)	841	-	-	-	-	-	841
At 31 December 2016	**140,268**	**512**	**(65,537)**	**(4,049)**	**5,349**	**37,663**	**114,206**
Profit for the year	-	-	-	-	-	18,656	18,656
Other comprehensive income	-	-	-	(2,769)	-	-	(2,769)
Share based payments	-	-	-	-	1,630	-	1,630
Deferred tax on share based payments	-	-	-	-	1,202	-	1,202
Issue of ordinary share capital (note 23)	50,196	-	-	-	-	(1,234)	48,962
Dividends	-	-	-	-	-	(1,494)	(1,494)
At 31 December 2017	**190,464**	**512**	**(65,537)**	**(6,818)**	**8,181**	**53,591**	**180,393**

Notes to the Consolidated Financial Statements (continued)

24. Reserves (continued)

Merger Reserve

On 01 January 2011, as part of a reorganisation of the group structure, the shareholders' interests in Petrogas Group Limited (PGL) and Applegreen Service Areas Limited (ASA) were combined in Applegreen plc. Immediately following this arrangement, the former shareholders of PGL and ASA held the same economic interest in Applegreen plc as they held in PGL and ASA immediately prior to its implementation. The Group adopted predecessor accounting to reflect this transaction in the Group financial statements under Irish GAAP in 2011. The effect of the arrangement was to increase share premium by €66.3m and create a merger reserve of €(65.5)m.

This transaction resulted in the combining of businesses under common control. IFRS 3 'Business Combinations' defines such an arrangement as a business combination in which all of the combining businesses are ultimately controlled by the same party or parties before and after the business combination. Common control transactions of this nature fall outside the scope of IFRS 3 and consequently the Directors have adopted the same accounting policy of predecessor accounting under IFRS as was adopted under Irish GAAP and explained above. Consequently no adjustments arose in respect of this transaction on transition to IFRS at 01 January 2012.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency translation adjustments arising from the translation of the Group's net investment in foreign operations including quasi equity.

Share-based payment reserve

This reserve represents the amounts credited to equity in relation to the share-based payment expense and related deferred tax recognised in the Consolidated Income Statement.

Capital contribution

The capital contribution relates to a payment made to the Group in respect of a bonus payment to employees made by the largest shareholder in 2015. The award was treated as a short term employee benefit (once committed, the employee had no further service to earn the award) of the Applegreen Group resulting in a charge (current year employee expense) to the Consolidated Income Statement in respect of the year ended 31 December 2015 and a corresponding credit to a capital contribution in equity.

25. Business combinations

In October 2017, the Group acquired both the Brandi Group, a 42-site retail operation based in South Carolina, USA and the Carsley Group, a seven-site forecourt retail operation based in the UK.

The Group acquired the trade and assets of the Brandi Group for a consideration of €8.2m on 03 October 2017. In accordance with IFRS 3 Business Combinations, this transaction constituted an acquisition of a business and therefore, was accounted for under this standard.

The Group also acquired the Carsley Group for a consideration of €23.5m on 02 October 2017. The Group purchased 100% of the share capital of the following entities:

- BMC Petroleum Limited
- MCM Forecourts Limited
- Wyboston Service Station Limited
- Cromwell Service Station Limited
- Muskham Services Limited
- Casterton Hill Service Station Limited
- MCM Sandwiches Limited

Notes to the Consolidated Financial Statements (continued)

25. Business combinations (continued)

The provisional fair values of the acquired assets and liabilities at acquisition are set out below:

	Brandi Group	Carsley Group	Total
	€000	€000	€000
Non-current assets			
Intangible assets	4,640	17	4,657
Property, plant and equipment	1,334	21,526	22,860
Current assets			
Inventories	3,120	780	3,900
Trade and other receivables	-	1,580	1,580
Current liabilities			
Trade and other payables	-	(2,424)	(2,424)
Current income tax liabilities	-	(443)	(443)
Non-current liabilities			
Deferred income tax liabilities	-	(1,308)	(1,308)
Total identifiable assets	**9,094**	**19,728**	**28,822**
Goodwill	-	3,736	3,736
Gain on bargain purchase	(928)	-	(928)
Total consideration	**8,166**	**23,464**	**31,630**
Satisfied by:			
Cash (net of cash acquired)	8,166	23,067	31,233
Deferred consideration	-	397	397
	8,166	**23,464**	**31,630**

Notes to the Consolidated Financial Statements (continued)

25. Business combinations (continued)

The carrying amount of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

	Book value	Fair value adjustment	Fair value
	€000	€000	€000
Brandi Group			
Non-current assets	-	5,974	5,974
Current assets	3,120	-	3,120
Non-current liabilities	-	-	-
Current liabilities	-	-	-
Identifiable net assets acquired	**3,120**	**5,974**	**9,094**
Gain on bargain purchase	5,046	(5,974)	(928)
Total consideration	**8,166**	**-**	**8,166**
Carsley Group			
Non-current assets	10,634	10,909	21,543
Current assets	2,360	-	2,360
Non-current liabilities	(119)	(1,189)	(1,308)
Current liabilities	(2,867)	-	(2,867)
Identifiable net assets acquired	**10,008**	**9,720**	**19,728**
Goodwill	13,456	(9,720)	3,736
Total consideration	**23,464**	**-**	**23,464**
Total			
Non-current assets	10,634	16,883	27,517
Current assets	5,480	-	5,480
Non-current liabilities	(119)	(1,189)	(1,308)
Current liabilities	(2,867)	-	(2,867)
Identifiable net assets acquired	**13,128**	**15,694**	**28,822**
Goodwill	13,456	(9,720)	3,736
Gain on bargain purchase	5,046	(5,974)	(928)
Total consideration	**31,630**	**-**	**31,630**

The gain on bargain purchase of €0.9m is shown within non recurring charges offset against acquisition-related costs of €1.9m. These are included within administrative expenses in the Consolidated Income Statement.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis for the above business combinations above given their proximity to year-end. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2018 Annual Report, as stipulated by IFRS 3.

The deferred consideration reflects the final consideration made in respect of preacquisition working capital which was outstanding at the year end. This has now been agreed with the sellers and was paid in Q1 2018.

Notes to the Consolidated Financial Statements (continued)

25. Business combinations (continued)

The principal factors contributing to the recognition of goodwill on the Carsley Group acquisition are the expected profitability of the acquired business and the realisation of cost savings and synergies within the existing Group. The property, plant and equipment have been provisionally valued by external valuers.

None of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

The bargain purchase arose due to the recognition of €4.7 million of acquisition related intangibles identified as part of the purchase price allocation exercise. These assets relate to franchise agreements and the brand acquired and were valued by external valuers. The franchise agreements were valued based on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated cash flows expected to be generated from these intangible assets using appropriate discount rates and revenue forecasts. The period of expected cash flows is based on the expected useful life of the intangible asset acquired.

The property, plant and equipment have been provisionally valued.

The value of these intangible assets in addition to the provisional fair value of the property, plant and equipment exceeded the transaction price by €0.9m, and thus resulted in the recognition of a bargain purchase.

No contingent liabilities were recognised on the acquisitions completed during the year.

The post-acquisition impact of business combinations completed during the year on Group revenue and profit for the financial year was as follows:

	2017
	€000
Revenue	45,126
Profit for the financial year	607

If the acquisition was acquired at the start of the year, the impact on Group revenue and profit for the financial year would be:

	2017
	€000
Revenue	177,680
Profit for the financial year	2,773

26. Lease commitments and other contingencies

Operating lease commitments

The Group leases various buildings and sites for use across the Group's retail operations. These leases are non-cancellable operating leases with varying terms, escalation clauses, incentives and renewal rights. Future minimum rentals payable under non-cancellable operating leases, on an undiscounted basis, are as follows:

	2017	2016
	€000	€000
Land and buildings		
Due within one year	22,482	14,070
Due after one year but not more than five years	112,454	68,541
Due after five years	252,315	166,722
Total operating lease commitments	**387,251**	**249,333**

Notes to the Consolidated Financial Statements (continued)

26. Lease commitments and other contingencies (continued)

Finance lease commitments

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment. These leases have terms of renewal but no purchase options or escalation clauses. Renewals are at the option of the specific entity holding the lease. The future minimum lease payments, and their associated present values, payable under finance leases and hire purchase contracts are as follows:

	2017 Minimum payments	2017 Present value	2016 Minimum payments	2016 Present value
	€000	€000	€000	€000
Within one year	930	725	1,006	749
Between two and five years	1,194	522	1,849	1,123
More than five years	13,356	1,995	13,900	2,104
	15,480	**3,242**	**16,755**	**3,976**
Amounts allocated to future finance costs	(12,238)	-	(12,779)	-
Present value of minimum lease payments	**3,242**	**3,242**	**3,976**	**3,976**

27. Related party disclosures

A - Key management personnel

Compensation of key management personnel is as follows:

	2017	2016
	€000	€000
Short term employee benefits	1,107	1,575
Post-employment benefits	32	33
Share based payments	156	168
Termination benefits	445	-
	1,740	**1,776**

For the purposes of the disclosure requirements of IAS 24, the term “key management personnel” (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors.

B - Transactions with directors

The Group is controlled by B&J Holdings Limited (incorporated in Malta), which owns 52.6% of the Company’s shares. The Group’s ultimate controlling parties are Joseph Barrett and Robert Etchingham who own 100% of the shares in B&J Holdings Limited.

Share options trust

During 2016, B&J Holdings Limited established the Applegreen Employee Share Option Trust (‘the trust’) for the purpose of holding shares to be awarded to employees. In total, 515,000 options over ordinary shares personally held by Robert Etchingham and Joseph Barrett through B&J Holdings Limited were transferred to the trust. The trust granted these options on 31 March 2016 to selected employees to reward them for their service to the Group. The options have a vesting period of two years at an exercise price of €2.00. In order to satisfy the exercise of the options, the trust acquired these ordinary shares from B&J at €2.00 per ordinary share. Further details of the scheme is contained in note 28.

Notes to the Consolidated Financial Statements (continued)

27. Related party disclosures (continued)

C – Joint ventures

Superstop Limited was established jointly as part of a consortium with Petrogas Group Limited, Tedcastles Oil Products Limited and Pierse Contracting Limited. The consortium was awarded the public-private partnership contract to design, build, maintain and operate six motorway service areas in Ireland by Transport Infrastructure Ireland (TII). During 2017, Petrogas Group Limited and Tedcastles Oil Products Limited purchased Pierse Contracting Limited's shareholding in the entity. This is treated as a joint venture in the Group financial statements. Petrogas Group Limited has unsecured loan notes in Superstop (Holdings) Limited of €3.1m. For details of the Group's investment in its joint venture see note 15.

Details of amounts owed to and by the Group at the year-end are as follows:

	2017	2016
	€000	€000
Trade and other receivables		
Interest receivable on loan notes (1)	867	1,042
Operating and maintenance advance (2)	118	118
Maintenance works (3)	1,336	1,267
	2,321	**2,427**
Trade and other payables		
Commission payable (4)	**329**	**419**

(1) Interest receivable on the unsecured loan note of €3.1m (2016: €2.1m).

(2) This is an advancement to Superstop Limited as per the terms of the operating and maintenance agreement.

(3) Selling and distribution costs include a credit of €94,000 (2016: €93,000) receivable from Superstop Limited for maintenance work carried out by the Group at the motorway service areas. The Group also purchased assets on behalf of Superstop Limited in accordance with the Lifecycle Costs agreement. These costs were recharged back to Superstop Limited.

(4) Included in cost of sales is an amount of €5.1m (2016: €5.1m) paid to Superstop Limited, a wholly owned subsidiary of Superstop (Holdings) Limited, in respect of commission due from the Group for the operation of Motorway Service Areas. At 31 December 2017 there was a balance of €329,000 (2016: €419,000) due to Superstop Limited.

D – Other related parties

The Group conducted transactions and held balances with certain related parties during the year. Details of these related parties are disclosed below.

Related Party	**Nature of Relationship**
Mountpark Developments Limited	Mountpark Developments Limited is controlled by members of key management of the Group
Mountpark Trading Limited	Subsidiary of Mountpark Developments Limited
Darana Limited	Subsidiary of Mountpark Developments Limited
Diegoville Limited	Subsidiary of Mountpark Developments Limited
BJ Management Limited	BJ Management Limited is controlled by members of key management of the Group
Acute Enterprises Limited	Acute Enterprises Limited is controlled by members of key management of the Group
PL Active Management Limited	PL Active Management Limited is controlled by a former Director of the group

Notes to the Consolidated Financial Statements (continued)

27. Related party disclosures (continued)

D – Other related parties (continued)

Related Party	Balance owing (to)/from 01-Jan-16	Expenses paid on behalf of related party	Services provided to the Group	Sale of inventory to related party	Remittances/ advances to/ (from) related party	Novation of debt (related parties)	Balance owing (to)/from 31-Dec-16
	€000	€000	€000	€000	€000	€000	€000
Trade and other receivables							
Mountpark Trading Limited	**3**	33	-	-	-	(36)	**-**
Darana Limited	**3**	-	-	-	-	(3)	**-**
Diegoville Limited	**5**	-	-	-	-	(5)	**-**
BJ Management Limited	**23**	13	-	-	-	(36)	**-**
Acute Enterprises Limited	**266**	2	-	620	(726)	-	162
Mountpark Developments Limited	**-**	-	-	-	-	57	57
	300	48	-	620	(726)	(23)	**219**
Trade and other payables			-				
Mountpark Developments Limited	**(23)**	-	-	-	-	23	**-**
PL Active Management Limited	**(70)**	-	-	-	70	-	**-**
	(93)	-	-	-	70	23	**-**

Related Party	Balance owing (to)/from 01-Jan-17	Expenses paid on behalf of related party	Services provided to the Group	Sale of inventory to related party	Remittances/ advances to/ (from) related party	Novation of debt (related parties)	Balance owing (to)/from 31-Dec-17
	€000	€000	€000	€000	€000	€000	€000
Trade and other receivables							
Acute Enterprises Limited	**162**	-	-	37	(184)	-	**15**
Mountpark Developments Limited	**57**	17	-	-	-	-	**74**
	219	17	-	37	(184)	**-**	**89**
Trade and other payables							
PL Active Management Limited	**-**	-	(30)	-	-	-	**(30)**
	-	-	(30)	-	-	-	**(30)**

Brian Geraghty is a partner in Crowe Horwath (formerly Phelan Prescott & Company). Professional services provided by this company during the year whilst Brian Geraghty was also a director of the Group amounted to €30,000 (2016: €32,500).

Notes to the Consolidated Financial Statements (continued)

27. Related party disclosures (continued)

E –Subsidiaries

The Company's subsidiary companies, which (except where indicated) are incorporated in Ireland and have their registered office at Block 17, Joyce Way, Parkwest, Dublin 12, the principal activities and the changes, where applicable, during the financial period, as required by the Companies Act 2014, are set out below:

Subsidiary	Principal activity	Country of incorporation	2017
Petrogas Holdings Limited	Holding company	Republic of Ireland	100%
Petrogas Group Limited	Operation of service stations	Republic of Ireland	100%
Applegreen Service Areas Limited	Operation of service stations	Republic of Ireland	100%
Petrogas Brands Limited	Licencing of intellectual property	Republic of Ireland	100%
Applegreen BK Limited	Franchise holder	Republic of Ireland	100%
Applegreen Cafe Limited	Franchise holder	Republic of Ireland	100%
Petrogas International Limited	Not operating	Republic of Ireland	100%
Petrogas Facilities Limited	Holding company	Republic of Ireland	100%
Yerba 2 Limited	In liquidation*	Republic of Ireland	100%
Petrogas Services BV (i)	Licencing of intellectual property	The Netherlands	100%
Petrogas Group UK Limited (ii)	Operation of service stations	United Kingdom	100%
Petrogas Western Limited (ii)	Operation of service stations	United Kingdom	100%
Petrogas Group NI Limited (iii)	Operation of service stations	United Kingdom	100%
Applegreen Service Areas NI Limited (iv)	Operation of service stations	United Kingdom	100%
Applegreen BK (NI) Limited (iv)	Franchise holder	United Kingdom	100%
BMC Petroleum Limited (ii)	Dormant company	United Kingdom	100%
MCM Forecourts Limited (ii)	Dormant company	United Kingdom	100%
Wyboston Service Station Limited (ii)	Dormant company	United Kingdom	100%
Cromwell Service Station Limited (ii)	Dormant company	United Kingdom	100%
Muskham Services Limited (ii)	Dormant company	United Kingdom	100%
Casterton Hill Service Station Limited (ii)	Dormant company	United Kingdom	100%
MCM Sandwiches Limited (ii)	Dormant company	United Kingdom	100%
Petrogas Group US Inc. (v)	Operation of service stations	United States of America	100%
Petrogas Group New England Inc. (v)	Operation of service stations	United States of America	100%
Petrogas Group South Carolina, LLC. (v)	Operation of service stations	United States of America	100%
Petrogas Group South Carolina (SUB), LLC (v)	Franchise holder	United States of America	100%
Petrogas Group South Carolina (FTG), LLC (v)	Franchise operator	United States of America	100%

(i) The registered office of Petrogas Services B.V. is Paasheuvelweg 16, 1105 BH Amsterdam, Zuidoost, Netherlands.
(ii) The registered office of these companies is 200 Strand Road, London WC2R 1DJ, United Kingdom.
(iii) The registered office of this company is 1 Lanyon Quay, Belfast BT1 3LG, Northern Ireland.
(iv) The registered office of these companies is 50 Bedford Street, Belfast BT2 7FW, Northern Ireland.
(v) The registered office of these companies is 3500 South Dupont Highway, Dover, Kent, DE 19901, USA.

* During 2013, as part of a group re-organisation, the trade and assets of this company were transferred to another group company. This company is now in liquidation.

Shares in Petrogas Holdings Limited are held directly by Applegreen plc. Shares in the other subsidiaries are held directly or indirectly by Petrogas Holdings Limited. All of the above companies have been included in the Group consolidation.

Notes to the Consolidated Financial Statements (continued)

28. Share based payment plans

Long Term Incentive Plan (LTIP) - 2014 Share Option Scheme

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The share options are granted to directors and selected employees. The options are granted with a fixed exercise price which is determined firstly based on the implied market value per share of the Company at the grant date of the options and secondly based on the tenure of the employee. Part of the share options vested when the Company's shares became publicly traded. The remainder vest three years after the date of grant. Employees are required to remain in employment with the Group until the options become exercisable. The options expire seven years after the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The expense recognised for this plan for the year is shown in the following table:

	2017	2016
	€000	€000
Expense arising from equity settled transactions	862	990
Expense arising from cash settled transactions	-	-
Total expense arising for share based payments	**862**	**990**

Movements in share option schemes during the year

	No. of share options	Weighted average exercise price €
At 01 January 2016	5,650,000	1.28
Exercised during the year	(850,000)	1.00
Outstanding 01 January 2017	**4,800,000**	**1.76**
Exercised during the year	(3,005,000)	1.32
Forfeited during the year	(150,000)	2.00
Outstanding 31 December 2017	**1,645,000**	**1.30**
Vested and exercisable 31 December 2016	**300,000**	**1.00**
Vested and exercisable 31 December 2017	**1,595,000**	**1.27**

The weighted average share price at the date of exercise was €5.70.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Actual/expected vest date	Expiry date	Exercise price per share option	No. of share options
05 December 2014	19 June 2015	05 December 2021	€1.00	250,000
05 December 2014	05 December 2017	05 December 2021	€1.00	850,000
05 December 2014	05 December 2017	05 December 2021	€1.67	175,000
05 December 2014	05 December 2017	05 December 2021	€2.00	320,000
28 April 2015	28 April 2018	28 April 2022	€2.00	50,000
				1,645,000

The weighted average remaining contractual life for the share options outstanding as at 31 December 2017 is 4 years (2016: 5 years).

Notes to the Consolidated Financial Statements (continued)

28. Share based payment plans (continued)

Movements in share option schemes during the year (continued)

The Group has used the Black Scholes valuation model to determine the grant date fair value of share options. The weighted average fair value of the options at the grant date was €0.72. The following table lists the inputs used in the model:

Expected volatility (%)	28.3 – 30.6
Risk free interest rate (%)	0.10 – 0.38
Expected life of share options (years)	7
Weighted average share price (€)	1.67
Valuation model for new grants	Black Scholes

Expected volatility reflects historic volatility of similar companies over a period equal to the expected life of the share options.

The risk-free rate is the rate of interest obtainable from government securities over the expected life of the share options.

Applegreen Employee Share Option Trust - 2016 share option scheme

During 2016, Applegreen plc's majority shareholder B&J Holdings established the Applegreen Employee Share Option Trust ('the trust') for the purpose of holding shares to be awarded to employees. The trust granted 515,000 share options on 31 March 2016 to selected employees to reward them for their service to the Group. The options were granted with a fixed exercise price. The Group considers this an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The award of the options will have no cash impact on the Group nor will it result in any reduction in shareholders equity. However, the award falls fully within the scope of IFRS 2 as an equity settled share based payment and therefore the following has been booked in the Consolidated Income Statement:

	2017	2016
	€000	€000
Expense arising from equity settled transactions	501	451
Expense arising from cash settled transactions	-	-
Total expense arising for share based payments	**501**	**451**

Movements in share option schemes during the year

	No. of share options	Weighted average exercise price €
At 01 January 2017	-	-
Granted during the year	515,000	2.00
Outstanding 01 January 2017	**515,000**	**2.00**
Forfeited during the year	(39,000)	2.00
Outstanding 31 December 2017	**476,000**	**2.00**

Notes to the Consolidated Financial Statements (continued)

28. Share based payment plans (continued)

Movements in share option schemes during the year (continued)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Actual/expected vest date	Expiry date	Exercise price per share option	No. of share options
31 March 2016	31 March 2018	31 March 2023	€2.00	476,000

The weighted average remaining contractual life for the share options outstanding as at 31 December 2017 is 5 years (2016: 6 years).

The Group has used the Black Scholes valuation model to determine the grant date fair value of share options. The weighted average fair value of the options at the grant date was €2.34. The following table lists the inputs used in the model:

Expected volatility (%)	29.61
Risk free interest rate (%)	-0.01
Expected life of share options (years)	7
Dividend yield (%)	2
Weighted average exercise price (€)	2.00
Weighted average share price at grant date (€)	4.75
Valuation model for new grants	Black Scholes

Expected volatility reflects historic volatility of similar companies over a period equal to the expected life of the share options. The risk-free rate is the rate of interest obtainable from government securities over the expected life of the share options.

Long Term Incentive Plan (LTIP) - 2015 Share Option Scheme

The Group established a further share based payment plan which was approved by the Board of Directors on 27 May 2015.

The conditions attached to the transfer of ownership of any equity entitlements and/or vesting of share options are as follows:
- The employee must remain in service throughout a three year performance period.
- There is an additional holding period of one year to facilitate any clawback.
- Awards will not be granted to a participant with a market value in excess of 150% of salary in respect of any financial year.
- The plan is subject to the overall limits where, in any ten year period, the number of shares which may be issued under the LTIP together with the number of shares issued under any other employees' share plan adopted by the Company (in a general meeting) after 19 June 2016 may not exceed 5% of the issued share capital of the Company.

Transfer of ownership of any equity entitlements and/or vesting of any share options will be determined by reference to the following conditions:

- 50% will vest contingent on the Total Shareholder Return ("TSR") of Applegreen plc relative to ten listed peers. The portion of this award will vest as follows:

	Award
Applegreen TSR is below the median	0%
Applegreen TSR is at the median level	25%
Applegreen TSR is at or above the upper quartile	25% up to 100% on a sliding scale

- The other 50% portion will vest dependent on EPS growth as follows:

	Award
Less than Consumer Price Index +3%	0%
At Consumer Price Index +3%	25%
Reaches Consumer Price Index +9%	25% up to 100% on a sliding scale

Notes to the Consolidated Financial Statements (continued)

28. Share based payment plans (continued)

Long Term Incentive Plan (LTIP) - 2015 Share Option Scheme (continued)

The expense recognised for this plan for the year is shown in the following table:

	2017	2016
	€000	€000
Expense arising from equity settled transactions	267	-
Expense arising from cash settled transactions	-	-
Total expense arising for share based payments	**267**	**-**

Movements in share option schemes during the year

	No. of share options	Weighted average exercise price €
At 01 January 2017	-	-
Granted during the year	1,600,000	4.78
Outstanding at 31 December 2017	**1,600,000**	**4.78**

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Actual/expected vest date	Expiry date	Exercise price per share option	No. of share options
25 April 2017	25 April 2020	25 April 2024	€4.78	1,600,000

The weighted average remaining contractual life for the share options outstanding as at 31 December 2017 is 3 years.

The Group has used the Monte Carlo valuation model to determine the grant date fair value of share options. The weighted average fair value of the options at the grant date was €0.73. The following table lists the inputs used in the model:

Expected volatility (%)	27.75
Risk free interest rate (%)	-0.6
Expected life of share options (years)	7
Dividend yield (%)	0.3
Weighted average exercise price (€)	4.78
Weighted average share price at grant date (€)	4.78
Valuation model for new grants	Monte Carlo

Expected volatility reflects historic volatility of similar companies over a period equal to the expected life of the share options. The risk-free rate is the rate of interest obtainable from government securities over the expected life of the share options.

Notes to the Consolidated Financial Statements (continued)

29. Dividends

	2017	2016
	€000	€000
Maiden final 2016 dividend of 1.25 cent per ordinary share paid 28 June 2017	1,010	-
Maiden interim 2017 dividend of 0.60 cent per ordinary share paid 12 October 2017	484	-
	1,494	**-**

On 28 June 2017, a final dividend for the year ended 31 December 2016 of 1.25 cent per share (total €1 million) was paid.

On 12 October 2017, an interim dividend for the year ended 31 December 2017 of 0.60 cent per share (total €0.5 million) was paid.

The Directors have recommended the payment of a final dividend of 0.80 cent per ordinary share which amounts to €0.7m. Subject to shareholder approval, this dividend will be paid on 05 July 2018 to shareholders on the register of members at 15 June 2018, the record date. These financial statements do not reflect this final dividend. There is no income tax consequence for the Company in respect of dividends proposed prior to issuance of the financial statements.

30. Post year end events

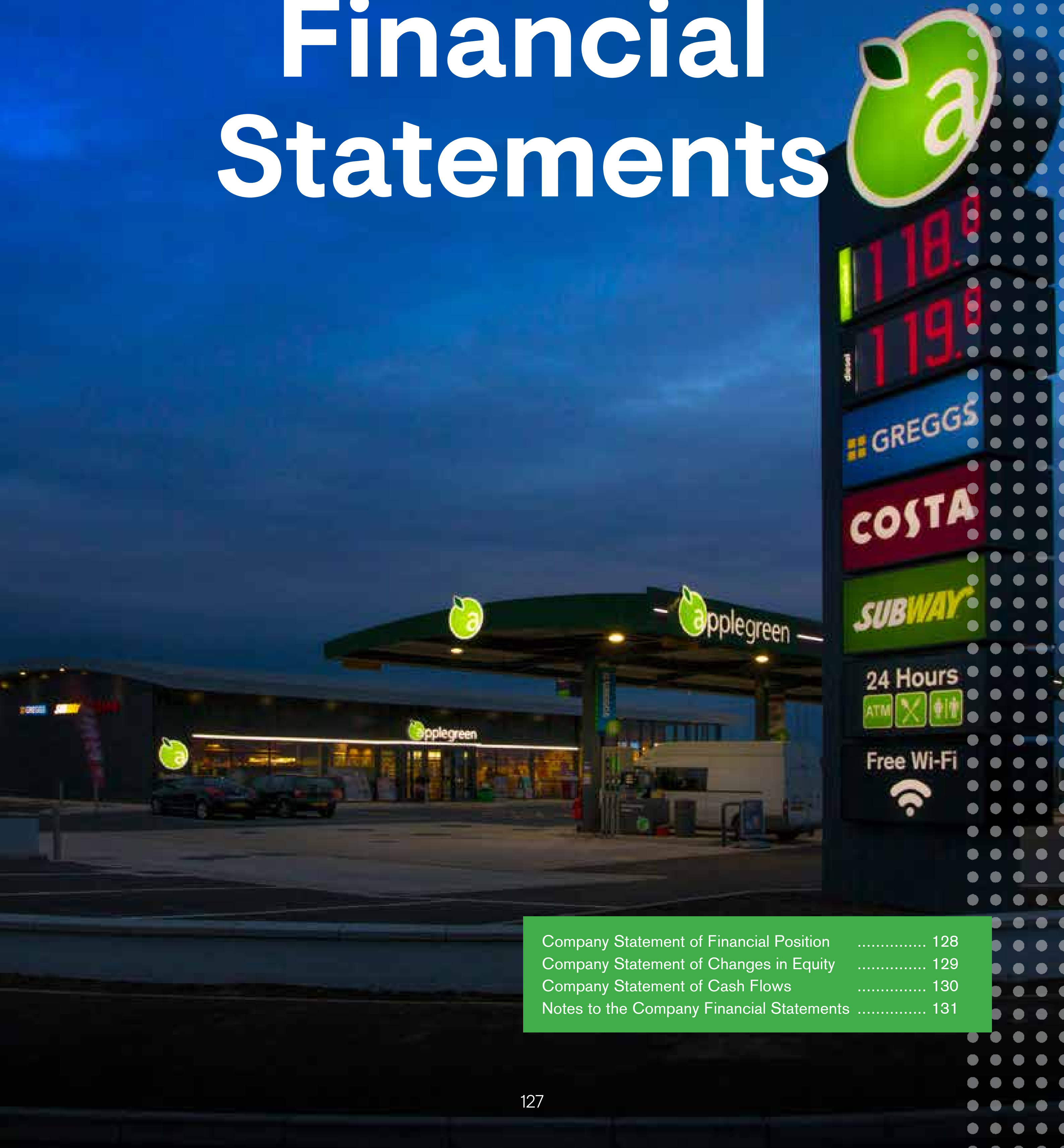
Since the year end, the Group has added one new service area in the Republic of Ireland, seven petrol filling stations in the UK and three petrol filling stations in the USA. The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

The Directors have proposed a final dividend in respect of the 2017 financial year of 0.80 cent per ordinary share, €0.7m in total. This dividend has not been provided for in the Group balance sheet as there was no present obligation to pay the dividend at the year end. The final dividend is subject to approval by the Company's shareholders at the Annual General Meeting.

31. Approval of financial statements

The Board of Directors approved and authorised for issue the financial statements in respect of the year ended 31 December 2017.

Company Financial Statements



Company Statement of Financial Position as at 31 December 2017

	Notes	2017	2016
		€000	€000
Assets			
Non-current assets			
Financial assets	3	250,156	189,499
Trade and other receivables	4	11,253	11,214
		261,409	**200,713**
Current assets			
Trade and other receivables	4	4,285	4,322
Cash and cash equivalents	5	23,989	3,090
		28,274	**7,412**
Total assets		**289,683**	**208,125**
Equity and liabilities			
Issued share capital	9	916	805
Share premium	10	190,464	140,268
Capital contribution	10	512	512
Share based payment reserve	10	5,110	3,981
Retained earnings	10	18,734	11,247
Total equity		**215,736**	**156,813**
Non-current liabilities			
Borrowings	6	60,615	39,723
		60,615	**39,723**
Current liabilities			
Trade and other payables	7	9,512	8,124
Borrowings	6	3,820	3,465
		13,332	**11,589**
Total liabilities		**73,947**	**51,312**
Total equity and liabilities		**289,683**	**208,125**

The Company earned a profit of €10,215,000 for the financial year ended 31 December 2017 (2016: €16,817,000).

On behalf of the directors

Robert Etchingham
19 April 2018

Niall Dolan
19 April 2018

Company Statement of Changes in Equity year ended 31 December 2017

	Issued share capital	Share premium	Capital contribution	Share based payment reserve	Retained earnings	Total
	€000	€000	€000	€000	€000	€000
At 01 January 2016	**796**	**139,427**	**512**	**2,991**	**(5,570)**	**138,156**
Profit for the year	-	-	-	-	16,817	16,817
Total comprehensive income	**-**	**-**	**-**	**-**	**16,817**	**16,817**
Share based payments	-	-	-	990	-	990
Issue of ordinary share capital	9	841	-	-	-	850
At 31 December 2016	**805**	**140,268**	**512**	**3,981**	**11,247**	**156,813**
At 01 January 2017	**805**	**140,268**	**512**	**3,981**	**11,247**	**156,813**
Profit for the year	-	-	-	-	10,215	10,215
Total comprehensive income	**-**	**-**	**-**	**-**	**10,215**	**10,215**
Share based payments	-	-	-	1,129	-	1,129
Issue of ordinary share capital (note 9)	111	50,196	-	-	(1,234)	49,073
Dividends	-	-	-	-	(1,494)	(1,494)
At 31 December 2017	**916**	**190,464**	**512**	**5,110**	**18,734**	**215,736**

Company Statement of Cash Flows year ended 31 December 2017

	Notes	2017	2016
		€000	**€000**
Cash flows from operating activities			
Profit before income tax		10,215	16,817
Adjustments for:			
Finance income		(4)	(4)
Finance costs		1,214	(593)
Dividend income		(11,250)	(16,447)
Cash used in operations		175	(227)
Decrease in trade and other receivables		34	-
Net cash from/(used in) operating activities		**209**	**(227)**
Cash flows from investing activities			
Increase in investment in subsidiary		(59,528)	(55,996)
Loans repaid from subsidiary undertakings		1,592	702
Dividend income received		11,250	16,447
Net cash used in investing activities		**(46,686)**	**(38,847)**
Cash flows from financing activities			
Proceeds from long-term borrowings		45,000	-
Proceeds from issue of ordinary share capital		49,071	850
Repayment of borrowings		(23,666)	(3,305)
Interest paid		(1,535)	(1,472)
Dividends paid		(1,494)	-
Net cash from/(used in) financing activities		**67,376**	**(3,927)**
Net increase/(decrease) in cash and cash equivalents		20,899	(43,001)
Cash and cash equivalents at beginning of year		3,090	46,091
Cash and cash equivalents at end of year	5	**23,989**	**3,090**

Notes to the Company Financial Statements

1. Auditors remuneration

Total auditors' remuneration paid to PwC and its affiliated firms was as follows:

	Year to 31 December 2017	Year to 31 December 2016
	€000	€000
Audit of Company's financial statements	6	5

2. Employee benefits

The Company had no employees in 2017 and 2016. The Company's directors are not employees but are remunerated for their service by another Group company. See note 27 Directors' Remuneration of the consolidated financial statements for a summary of their remuneration.

3. Financial assets

Investment in subsidiaries - unquoted	**2017**	**2016**
Shares at cost	**€000**	**€000**
At 01 January	**189,499**	**135,175**
Additions	60,657	54,324
At 31 December	**250,156**	**189,499**

The increase in investments in the year relates to the issue of shares. Details of the Company's subsidiary company is contained in note 11.

4. Trade and other receivables

	2017	**2016**
	€000	**€000**
Current		
Other debtors	35	30
Provision for impairment	(35)	-
Net other debtors	-	30
Withholding tax receivable	24	24
Amounts owed by group undertakings (note 11)	4,261	4,268
	4,285	**4,322**
Non-current		
Amounts owed by group undertakings (note 11)	11,253	11,214
	11,253	**11,214**

The fair value of trade and other receivables approximates to their carrying values. As of 31 December 2017, other debtors of €35,000 (2016: €nil) were impaired. All other receivables were fully performing, were not past due and were not impaired.

Notes to the Company Financial Statements (continued)

The carrying amounts of the Company's receivables are denominated in Euro.

5. Cash and cash equivalents

Cash and cash equivalents are included in the Company Statement of Financial Position and Company Statement of Cash Flows and are analysed as follows:

	2017	2016
	€000	€000
Cash at bank	23,989	3,090
Cash and cash equivalents (excluding bank overdrafts)	**23,989**	**3,090**

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2017	2016
	€000	€000
Cash and cash equivalents	23,989	3,090
	23,989	**3,090**

Non-cash transactions
Applegreen plc operate a number of share based payment schemes. These schemes reward employees in subsidiary entities. This transaction represents a capital contribution to the subsidiary and therefore, is treated as an investment in the subsidiaries.

There were no other significant non-cash transactions during 2017 or 2016.

6. Borrowings

	2017	2016
	€000	€000
Current		
Bank loans	3,820	3,465
	3,820	**3,465**
Non-current		
Bank loans	60,615	39,723
	60,615	**39,723**
Total borrowings	**64,435**	**43,188**

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2017	2016
	€000	€000
Euro	55,254	32,884
UK Pound Sterling	9,181	10,304
	64,435	**43,188**

Notes to the Company Financial Statements (continued)

6. Borrowings (continued)

Maturity profile of bank loans

	2017	2016
	€000	€000
Within one year	3,820	3,465
Between one and two years	4,203	3,805
Between two and five years	56,412	35,918
	64,435	**43,188**

The value of undrawn bank loans at 31 December 2017 was €20m (2016: €25m). The carrying amounts of the current and non-current borrowings equate to their fair value as the borrowings incur interest charges based on variable rates reflected in the Income Statement using the effective interest rate method. There has been limited change in credit or other risk characteristics of the Company since the debt was originally drawn down by the Company in December 2013. The fair value has been determined on the basis of discounted cash flows.

Bank overdrafts

Bank overdrafts are short term financing and are repayable on demand. At 31 December 2017, the Group had access to overdraft facilities totalling €10m and £1.7m.

Bank loans

As part of the Group refinancing that occurred during 2013, long term loan finance was obtained from Ulster Bank Ireland and Allied Irish Bank plc. Finance totalling €32m and £8.5m was obtained with all loan facilities due to mature in 2019.

In March 2015, the Company extended its banking arrangements with its senior lenders, Ulster Bank Ireland and Allied Irish Bank plc. These new arrangements extended the maturity of the Company's debt and made additional facilities available to the Company. Finance totalling €62.4m and £9.7m was obtained, with all loan facilities due to mature in March 2020.

In August 2017, the Group secured an increase to its revolving credit facilities of €20m, also due to mature in March 2020.

All facilities are on floating rate terms based on Euribor for loans denominated in Euro and Libor for loans denominated in Pound Sterling.

Company bank borrowings are stated net of unamortised issue costs of €479,000 (2016: €737,000). These issue costs were incurred in respect of the five year senior debt facility entered into in December 2013. Additional fees were incurred during 2015 when further funding was drawn down.

These costs together with the interest expense are allocated to the Income Statement over the five year term of the facility using the effective interest rate method.

Guarantees and security

As security for loans advanced by Ulster Bank Ireland and Allied Irish Bank plc, the following charges have been granted:
(i) Debenture or equivalent over all material group subsidiaries; and
(ii) Fixed charge on shares in all material subsidiaries.

In addition, joint and several guarantees of the obligations of the borrower by Applegreen plc and seven other group companies have been granted.

Notes to the Company Financial Statements (continued)

7. Trade and other payables

	2017	2016
	€000	€000
Current		
Trade payables and accruals	114	104
Amounts owed to group undertakings (note 11)	9,398	8,020
	9,512	**8,124**

The fair value of trade and other payables is equivalent to their carrying values. The carrying amounts of the Company's payables are denominated in Euro.

8. Movements of liabilities within cash flows arising from financing activities and net debt reconciliations

	Bank loans	Changes in liabilities arising from financing activities	Cash and cash equivalents	Net debt
	€000	€000	€000	€000
At 31 December 2016	**(43,188)**	**(43,188)**	**20,899**	**(22,289)**
Cash flows	(21,334)	(21,334)	3,090	(18,244)
Other non-cash movements	(258)	(258)	-	(258)
Translation adjustment	345	345	-	345
At 31 December 2017	**(64,435)**	**(64,435)**	**23,989**	**(40,446)**

9. Share capital

	Ordinary	
	No.	€
Authorised shares of €0.01 each		
At 31 December 2016	1,000,000,000	10,000,000
At 31 December 2017	1,000,000,000	10,000,000
Called up, issued and fully paid shares of €0.01 each		
At 01 January 2016	**79,621,053**	**796,210**
Allotted	850,000	8,500
At 01 January 2017	**80,471,053**	**804,710**
Allotted	11,087,105	110,871
At 31 December 2017	**91,558,158**	**915,581**

Notes to the Company Financial Statements (continued)

9. Share capital (continued)

The holders of ordinary shares are entitled to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders also have the right to receive notice of and attend and vote at all general meetings of the Company and they are entitled, on a poll or a show of hands, to one vote for every ordinary share they hold. Votes at general meetings may be given either personally or by proxy. Subject to the Companies Acts and any special rights or restrictions as to voting attached to any shares, on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a representative duly authorised, shall have one vote, so, that no individual shall have more than one vote for every share carrying voting rights and on a poll every member present in person or by proxy shall have one vote for every share of which they are the holder.

2017

During 2017, the Company issued 8,082,105 ordinary shares of €0.01 at an issue price of €5.80/£5.09 per share, resulting in gross proceeds of €46.3 million. Share premium of €46.2m was recorded on these shares. Directly attributable issue costs of €1.2m have been deducted from retained earnings.

3,005,000 share options were exercised during 2017. Share premium of €4m was recorded on these shares.

These funds have been used and will be used to further expand the Group.

2016

850,000 share options with an exercise price of €1.00 were exercised. Share premium of €841,500 was recorded on these shares.

10. Reserves

	Share premium	Capital Contribution	Share based payment reserve	Retained earnings	Total
	€000	€000	€000	€000	€000
At 01 January 2016	**139,427**	**512**	**2,991**	**(5,570)**	**137,360**
Profit for the year	-	-	-	16,817	16,817
Issue of ordinary share capital (note 9)	841	-	-	-	841
Share based payments	-	-	990	-	990
At 31 December 2016	**140,268**	**512**	**3,981**	**11,247**	**156,008**
Profit for the year	-	-	-	10,215	10,215
Share based payments	-	-	1,129	-	1,129
Issue of ordinary share capital (note 9)	50,196	-	-	(1,234)	48,962
Dividends	-	-	-	(1,494)	(1,494)
At 31 December 2017	**190,464**	**512**	**5,110**	**18,734**	**214,820**

Share-based payment reserve

This reserve represents the amounts credited to equity in relation to the share-based payment expense recognised in the Company Income Statement.

Capital contribution

The capital contribution relates to a payment made to the Group in 2015 in respect of a bonus payment to employees made by the largest shareholder. The award was treated as a short term employee benefit (once committed, the employee had no further service to earn the award) of the Applegreen Group resulting in a charge (current year employee expense) to the Income Statement in respect of the year ended 31 December 2015 and a corresponding credit to a capital contribution in equity.

Notes to the Company Financial Statements (continued)

11. Related party disclosures

A - Transactions with directors

The Company is controlled by B&J Holdings Limited (incorporated in Malta), which owns 52.6% of the Company's shares. The Group's ultimate controlling parties are Joseph Barrett and Robert Etchingham who own 100% of the shares in B&J Holdings Limited.

B – Other related parties

The Company conducted transactions and held balances with certain related parties during the year. Details of these related parties are disclosed below.

Related Party	Nature of Relationship
Mountpark Developments Limited	Mountpark Developments Limited is controlled by members of key management of the Group
PL Active Management Limited	PL Active Management Limited is controlled by a former Director of the group.

The Company conducted transactions and held balances with fellow Group companies and other related parties during the year. Details of these related parties are disclosed below:

	Nature of Relationship	Balance Owing (to)/from 01-Jan-16	Transfers to/ (from) group companies	Expenses paid on behalf of/ (by) group companies	Intra-group interest charge	Balance Owing (to)/from 31-Dec-16
		€000	€000	€000	€000	€000
Trade and other receivables						
Applegreen Service Areas Limited	Subsidiary	**1,229**	-	-	-	**1,229**
Applegreen Service Areas NI Limited	Subsidiary	**546**	-	77	-	**623**
Petrogas Holdings Limited	Subsidiary	**3,000**	-	-	-	**3,000**
Petrogas Group UK Limited	Subsidiary	**6,941**	3,689	-	-	**10,630**
		11,716	3,689	77	-	**15,482**
Trade and other payables						
Petrogas Group Limited	Subsidiary	**(4,997)**	(1,028)	118	-	**(5,907)**
Petrogas Services B.V.	Subsidiary	**(1,622)**	-	-	(48)	**(1,670)**
Petrogas Group UK Limited	Subsidiary	**-**	-	(443)	-	**(443)**
		(6,619)	(1,028)	(325)	(48)	**(8,020)**
Trade and other payables						
Mountpark Developments Limited	Common control	**(28)**	28	-	-	-
PL Active Management Limited	Common control	**(70)**	-	70	-	-
		(98)	28	70	-	**-**

Notes to the Company Financial Statements (continued)

11. Related party disclosures (continued)

B – Other related parties (continued)

	Nature of Relationship	Balance Owing (to)/from 01-Jan-17	Transfers to/ (from) group companies	Expenses paid on behalf of/ (by) group companies	Intra-group interest charge	Balance Owing (to)/from 31-Dec-17
		€000	€000	€000	€000	€000
Trade and other receivables						
Applegreen Service Areas Limited	Subsidiary	**1,229**	-	-	-	**1,229**
Applegreen Service Areas NI Limited	Subsidiary	**623**	-	32	-	**655**
Petrogas Holdings Limited	Subsidiary	**3,000**	-	-	-	**3,000**
Petrogas Group UK Limited	Subsidiary	**10,630**	-	-	-	**10,630**
		15,482	-	32	-	**15,514**
Trade and other payables						
Petrogas Group Limited	Subsidiary	**(5,907)**	(1,078)	(585)	-	**(7,570)**
Petrogas Services B.V.	Subsidiary	**(1,670)**	112	-	(64)	**(1,622)**
Petrogas Group UK Limited	Subsidiary	**(443)**	615	(378)	-	**(206)**
		(8,020)	(351)	(963)	(64)	**(9,398)**

During the year, Petrogas Holdings Limited paid a dividend of €11.2m to Applegreen plc.

There are no provisions against amounts receivable from group companies. The Company exercises judgement on amounts due from group companies based upon the Company's judgement related to the substance of the instrument, and specifically whether it will be repaid within 12 months.

C – Subsidiaries

The Company's subsidiary company, Petrogas Holdings Limited, is incorporated in Ireland and has its registered office at Block 17, Joyce Way, Parkwest, Dublin 12. The principal activities and the changes, where applicable, during the financial period, as required by the Companies Act 2014, are set out below:

Subsidiary	Principal activity	Country of incorporation	2017
Petrogas Holdings Limited	Holding company	Republic of Ireland	100%

12. Commitments and contingencies

There were no commitments for capital expenditure or contingent liabilities as at 31 December 2017 (2016: €nil).

Guarantees

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has irrevocably guaranteed the liabilities of its wholly owned subsidiary undertakings in the Republic of Ireland (as listed below), for the financial year ended 31 December 2017 and, as a result, such subsidiary undertakings have been exempted from the filing provisions of Section 347 of the Companies Act 2014.

Petrogas Holdings Limited
Petrogas Group Limited
Applegreen Service Areas Limited
Petrogas Brands Limited
Applegreen BK Limited
Applegreen Cafe Limited
Petrogas International Limited
Petrogas Facilities Limited

Notes to the Company Financial Statements (continued)

13. Dividends

	2017	2016
	€000	€000
Maiden final 2016 dividend of 1.25 cent per ordinary share paid 28 June 2017	1,010	-
Maiden interim 2017 dividend of 0.60 cent per ordinary share paid 12 October 2017	484	-
	1,494	**-**

On 28 June 2017, a final dividend for the year ended 31 December 2016 of 1.25 cent per share (total €1 million) was paid.

On 12 October 2017, an interim dividend for the year ended 31 December 2017 of 0.60 cent per share (total €0.5 million) was paid.

The Directors have recommended the payment of a final dividend of 0.80 cent per ordinary share which amounts to €0.7m. Subject to shareholder approval, this dividend will be paid on 05 July 2018 to shareholders on the register of members at 15 June 2018, the record date. These financial statements do not reflect this final dividend. There is no income tax consequence for the Company in respect of dividends proposed prior to issuance of the financial statements.

14. Post year end events

The Directors have proposed a dividend in respect of the 2017 financial year of 0.80 cent per ordinary share, €0.7m in total. This dividend has not been provided for in the Statement of Financial Position as there was no present obligation to pay the dividend at the year end. The final dividend is subject to approval by the Company's shareholders at the Annual General Meeting.

15. Approval of financial statements

The Board of Directors approved and authorised for issue the financial statements in respect of the year ended 31 December 2017.

Directors and other information

Directors
Daniel Kitchen *(Independent Non-Executive Chairman)*
Robert Etchingham *(Chief Executive Officer)*
Joseph Barrett *(Chief Operating Officer)*
Niall Dolan *(Chief Financial Officer – appointed 6 March 2018)*
Howard Millar *(Independent Non-Executive Director)*
Martin Southgate *(Independent Non-Executive Director)*
Brian Geraghty *(Independent Non-Executive Director)*

Company Registration Number
491702

Company Secretary
Niall Dolan (appointed 1 July 2017)

Registered Office
Block 17
Joyce Way
Parkwest
Dublin 12
Ireland

Nominated Adviser
Shore Capital & Corporate Limited
Bond Street House
14 Clifford Street
London W1S 4JU
United Kingdom

Joint Brokers
Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London W1S 4JU
United Kingdom

Goodbody Stockbrokers
Ballsbridge Park
Ballsbridge
Dublin 4
Ireland

Glossary of financial terms

The key financial terms used by the Group in this report are as follows:

Measure	Description
Constant currency	Constant currency measure eliminates the effects of exchange rate fluctuations that occur when calculating financial performance numbers. They are calculated by taking the current year figures and applying the prior year average exchange rates.
EBITDA and adjusted EBITDA	EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment charges. Adjusted EBITDA refers to EBITDA adjusted for share based payments and non-recurring items. The adjusted EBITDA calculation can be found on page 93.
EBITDAR and adjusted EBITDAR	EBITDAR is defined as EBITDA before rent. Adjusted EBITDAR refers to Adjusted EBITDA before rent.
Adjusted PBT	Adjusted PBT is defined as profit before tax adjusted for share based payments and non-recurring items. Adjusted PBT is calculated as follows:

	2017	2016
	€000	€000
Profit before tax	**21,967**	**19,514**
Share based payments	1,630	1,441
Non-recurring charges	1,005	-
Adjusted PBT	**24,602**	**20,955**

Measure	Description
Like for like	Like for like statistics measure the performance of stores that were open at 01 January 2016 and excluding any stores that were closed or divested since that date.
Return on Capital Employed	Return on Capital Employed is defined as Adjusted Earnings before interest and tax (EBIT) expressed as a percentage of average Capital Employed. Adjusted EBIT refers to normalised trading EBIT adjusted for share based payments and non-recurring items. Average Capital Employed is calculated by taking the average of the opening and closing Capital Employed for the period. Capital Employed is defined as total equity plus net debt.
Cash conversion	Cash conversion is defined as Adjusted EBITDA and working capital movement expressed as a percentage of Adjusted EBITDA. Working capital movement is the variance between opening and closing debtors, creditors and stock adjusted for fixed asset accruals.
Net debt position	Net debt position comprises current and non-current borrowings and cash and cash equivalents. The net debt position can be found on page 112 in the Consolidated Financial Statements and page 134 in the Company Financial Statements.
Cash flow summary	The Cash Flow Summary uses cash flow categorisations as reviewed by management.
Balance sheet summary	The Balance Sheet Summary uses balance sheet categorisations as reviewed by management.

Design: www.reddog.ie

applegreen
Block 17, Joyce Way
Parkwest, Dublin 12, Ireland
www.applegreenstores.com