

Registered number: 03528262

**AZTEC OILS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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## AZTEC OILS LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	M S Lord S Cawood D S Ashard J A Hartshorne (appointed 13 April 2015)
<b>Company secretary</b>	M S Lord
<b>Registered number</b>	03528262
<b>Registered office</b>	Intake Road Bolsover Business Park Bolsover Derbyshire S44 6BB
<b>Independent auditors</b>	Shorts Chartered Accountants & Registered Auditor 2 Ashgate Road Chesterfield Derbyshire S40 4AA
<b>Bankers</b>	Barclays Bank Plc

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**AZTEC OILS LIMITED**

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## **AZTEC OILS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Introduction**

The directors present their strategic report for the year ended 31 March 2016.

#### **Business review**

The business has had another challenging year pushing through a huge increase in literage to maintain turnover in a sharply falling market. We have certainly increased our market share although profit margins have been squeezed as we have aggressively won business. Uncertainties over our position in Europe is having an effect on sterling which continues to be a concern.

During the year the company fully integrated Oiline Ltd into the business which is now trading as Aztec Oils West Midlands and Sage Line 200 has enabled us to have far better management information to control costs and margins.

The company during the year completed the purchase of the Bolsover site from Welbeck Estates and the second tranche of this purchase has now been completed in the new financial year giving us the room we need to expand our operation.

#### **Principal risks and uncertainties**

The volatile price of oil will always be a major factor but the company monitors the market to rapidly react to changes particularly with our large wholesale customers.

#### **Financial key performance indicators**

The company utilises appropriate financial instruments in order to conduct its business activities.

#### **Price risk, credit risk, liquidity risk and cash flow risk.**

The business's principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, hire purchase and finance lease agreements. The main purpose of these instruments is to finance the business operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice discounting at market rates of interest.

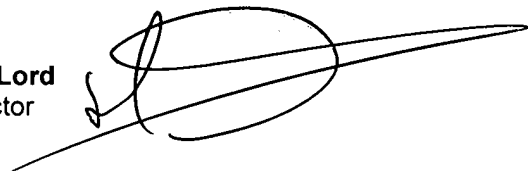
Trade debtors are managed in respect of credit and Cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. It is the company's policy to pay all suppliers within a maximum of 40 days from end of month.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

This report was approved by the board on 5 August 2016 and signed on its behalf.

**M S Lord**  
Director



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## **AZTEC OILS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present their report and the financial statements for the year ended 31 March 2016.

#### **Directors' responsibilities statement**

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the company throughout the year was the supply of lubricants.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £246,405 (2015 - £153,632).

#### **Directors**

The directors who served during the year were:

M S Lord  
S Cawood  
D S Ashard  
J A Hartshorne (appointed 13 April 2015)

#### **Financial instruments**

Details of the company's use of financial instruments are included in the Strategic Report.

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**AZTEC OILS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Qualifying third party indemnity provisions**

The directors have been granted a qualifying third party indemnity provision under Section 234 of the Companies Act 2006. The company's indemnity does not provide cover in the event of a director being proved to have acted fraudulently or dishonestly.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

**Auditors**

The auditors, Shorts, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5 August 2016 and signed on its behalf.



**M S Lord**  
Director

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## **AZTEC OILS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AZTEC OILS LIMITED**

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We have audited the financial statements of Aztec Oils Limited for the year ended 31 March 2016, set out on pages 6 to 26. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge and understanding of the company and its environment acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements; and

In light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we have identified no material misstatements in the Strategic Report and the Directors' Report.

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**AZTEC OILS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AZTEC OILS LIMITED**

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**Matters on which we are required to report by exception**

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

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

Howard Freeman (Senior Statutory Auditor)

for and on behalf of

**Shorts**

Chartered Accountants  
Registered Auditor

2 Ashgate Road  
Chesterfield  
Derbyshire  
S40 4AA

5 August 2016

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**AZTEC OILS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

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	Note	2016 £	2015 £
Turnover	4	11,870,889	11,834,059
Cost of sales		(8,643,272)	(9,388,051)
<b>Gross profit</b>		<u>3,227,617</u>	<u>2,446,008</u>
Administrative expenses		(2,952,748)	(2,209,988)
<b>Operating profit</b>	5	<u>274,869</u>	<u>236,020</u>
Interest payable and similar expenses	9	(26,493)	(8,789)
<b>Profit before tax</b>		<u>248,376</u>	<u>227,231</u>
Tax on profit	10	(1,971)	(73,599)
<b>Profit for the year</b>		<u><u>246,405</u></u>	<u><u>153,632</u></u>

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 12 to 26 form part of these financial statements.

**AZTEC OILS LIMITED**  
**REGISTERED NUMBER: 03528262**

**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	1,854,068	1,022,719
		<u>1,854,068</u>	<u>1,022,719</u>
<b>Current assets</b>			
Stocks	12	2,024,001	1,342,655
Debtors: amounts falling due within one year	13	2,427,753	2,470,894
Cash at bank and in hand	14	78,353	161,363
		<u>4,530,107</u>	<u>3,974,912</u>
Creditors: amounts falling due within one year	15	(4,026,403)	(3,264,409)
<b>Net current assets</b>		<u>503,704</u>	<u>710,503</u>
<b>Total assets less current liabilities</b>		<u>2,357,772</u>	<u>1,733,222</u>
Creditors: amounts falling due after more than one year	16	(573,863)	(123,432)
<b>Provisions for liabilities</b>			
Deferred tax	19	(113,124)	(95,410)
		<u>(113,124)</u>	<u>(95,410)</u>
<b>Net assets</b>		<u><u>1,670,785</u></u>	<u><u>1,514,380</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Profit and loss account	21	1,670,685	1,514,280
		<u><u>1,670,785</u></u>	<u><u>1,514,380</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 August 2016.

  
**M S Lord**  
 Director

The notes on pages 12 to 26 form part of these financial statements.

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**AZTEC OILS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

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	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	100	1,514,280	1,514,380
<b>Comprehensive income for the year</b>			
Profit for the year	-	246,405	246,405
<b>Total comprehensive income for the year</b>	-	246,405	246,405
Dividends: Equity capital	-	(90,000)	(90,000)
<b>Total transactions with owners</b>	-	(90,000)	(90,000)
<b>At 31 March 2016</b>	100	1,670,685	1,670,785

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**AZTEC OILS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

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	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	100	1,410,648	1,410,748
<b>Comprehensive income for the year</b>			
Profit for the year	-	153,632	153,632
<b>Total comprehensive income for the year</b>	-	153,632	153,632
Dividends: Equity capital	-	(50,000)	(50,000)
<b>Total transactions with owners</b>	-	(50,000)	(50,000)
<b>At 31 March 2015</b>	100	1,514,280	1,514,380

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**AZTEC OILS LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

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	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	246,405	153,632
<b>Adjustments for:</b>		
Depreciation of tangible assets	310,441	276,260
Loss on disposal of tangible assets	(1,649)	4,313
Increase in stocks	(681,346)	(253,770)
Interest paid	26,493	8,789
Tax on profit	1,971	73,599
Increase in debtors	44,116	(444,961)
Decrease in amounts owed by associates	(974)	130,820
Increase in creditors	672,378	675,720
Increase in amounts owed to associates	8,625	29,180
Corporation tax paid	22,765	(62,814)
<b>Net cash generated from operating activities</b>	<u>649,225</u>	<u>590,768</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,156,342)	(461,444)
Sale of tangible fixed assets	16,200	19,200
HP interest paid	(11,195)	(7,403)
<b>Net cash from investing activities</b>	<u>(1,151,337)</u>	<u>(449,647)</u>

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**AZTEC OILS LIMITED**

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**STATEMENT OF CASH FLOWS (continued)**  
**31 MARCH 2016**

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**Cash flows from financing activities**

New secured loans	494,377	-
Repayment of loans	-	(9,035)
Repayment of/new finance leases	30,023	74,695
Dividends paid	(90,000)	(50,000)
Interest paid	(15,298)	(1,386)

<b>Net cash used in financing activities</b>	<u>419,102</u>	<u>14,274</u>
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<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>(83,010)</u>	<u>155,395</u>
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Cash and cash equivalents at beginning of year	161,363	5,968
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<b>Cash and cash equivalents at the end of year</b>	<u><u>78,353</u></u>	<u><u>161,363</u></u>
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**Cash and cash equivalents at the end of year comprise:**

Cash at bank and in hand	78,353	161,363
	<u><u>78,353</u></u>	<u><u>161,363</u></u>

The notes on pages 12 to 26 form part of these financial statements.

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## AZTEC OILS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. General information

Aztec Oils Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Intake Road, Bolsover Business Park, Bolsover, Derbyshire, S44 6BB. Its principal activity throughout the year continued to be the supply of lubricants.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The company's functional and presentation currency is pounds sterling.

The version of FRS102 that has been adopted is that which was issued in September 2015 incorporating the July 2015 amendments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**2. Accounting policies (continued)**

**2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

The estimated useful lives range as follows:

Freehold property	- 2% straight line
Short-term leasehold property	- Straight line over period of lease
Plant and machinery	- 25% reducing balance basis
Motor vehicles	- 25% reducing balance basis
Fixtures and fittings	- 20% reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

**2.4 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**2. Accounting policies (continued)**

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.8 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as bank and cash balances, trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the transaction price and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is pounds sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**2. Accounting policies (continued)**

**2.11 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.13 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.14 Borrowing costs**

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

**2.15 Current and deferred taxation**

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all material timing differences that have originated but not reversed by the Balance Sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. The amount of trade debtors after making such provision was £2,378,255.

**4. Analysis of turnover**

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sale of goods	11,870,889	11,834,059
	<u>11,870,889</u>	<u>11,834,059</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	9,531,137	9,269,567
Rest of Europe	2,337,272	2,541,759
Rest of the world	2,480	22,733
	<u>11,870,889</u>	<u>11,834,059</u>

**5. Operating profit**

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	310,441	276,260
Exchange differences	81,456	17,156
Defined contribution pension cost	86,966	193,950
	<u>478,863</u>	<u>487,366</u>

**AZTEC OILS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**6. Auditors' remuneration**

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
<b>Fees payable to the Company's auditor in respect of:</b>		
Other services relating to taxation	7,245	-
All other services	16,000	-
	<u>23,245</u>	<u>-</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,489,084	970,131
Social security costs	128,055	89,871
Cost of defined contribution pension scheme	86,966	193,950
	<u>1,704,105</u>	<u>1,253,952</u>

The average monthly number of employees, including the directors, during the year was as follows:

2016 No.	2015 No.
<u>63</u>	<u>42</u>

**8. Directors' remuneration**

	2016 £	2015 £
Directors' remuneration	152,623	102,982
Company contributions to defined contribution pension schemes	43,791	173,520
	<u>196,414</u>	<u>276,502</u>

During the year retirement benefits were accruing to 4 directors (2015 - 3) in respect of defined contribution pension schemes.

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**9. Interest payable and similar charges**

	2016 £	2015 £
Bank interest payable	15,298	1,386
Finance leases and hire purchase contracts	11,195	7,403
	<u>26,493</u>	<u>8,789</u>

**10. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	19,718	12,695
Adjustments in respect of previous periods	(35,461)	-
	<u>(15,743)</u>	<u>12,695</u>
<b>Total current tax</b>	<u>(15,743)</u>	<u>12,695</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	17,714	60,904
<b>Total deferred tax</b>	<u>17,714</u>	<u>60,904</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,971</u>	<u>73,599</u>

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - higher than) that which would arise if the standard rate of corporation tax in the UK of 20% (2015 - 20%) were applied to the profit before tax. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	248,376	227,231
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	49,675	45,446
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,341	7,562
Adjustments to tax charge in respect of prior periods	(35,461)	(2,711)
Other timing differences leading to an increase in taxation	-	23,302
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(22,584)	-
<b>Total tax charge for the year</b>	<b>1,971</b>	<b>73,599</b>

**Factors that may affect future tax charges**

There are no factors, other than provided above, that may affect future tax charges.

**AZTEC OILS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Tangible fixed assets**

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>						
At 1 April 2015	-	410,309	1,109,972	407,490	68,410	1,996,181
Additions	693,089	4,530	295,240	117,290	46,193	1,156,342
Disposals	-	-	-	(41,645)	-	(41,645)
At 31 March 2016	693,089	414,839	1,405,212	483,135	114,603	3,110,878
<b>Depreciation</b>						
At 1 April 2015	-	109,403	633,934	187,600	42,525	973,462
Charge owned for the period	3,000	41,484	163,355	22,554	14,435	244,828
Charge financed for the period	-	-	5,483	60,131	-	65,614
Disposals	-	-	-	(27,094)	-	(27,094)
At 31 March 2016	3,000	150,887	802,772	243,191	56,960	1,256,810
<b>Net book value</b>						
At 31 March 2016	690,089	263,952	602,440	239,944	57,643	1,854,068
At 31 March 2015	-	300,906	476,038	219,890	25,885	1,022,719

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	31,067	-
Motor vehicles	180,390	159,372
	<u>211,457</u>	<u>159,372</u>

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**12. Stocks**

	2016 £	2015 £
Raw materials and consumables	2,024,001	1,342,655
	<u>2,024,001</u>	<u>1,342,655</u>

**13. Debtors**

	2016 £	2015 £
Trade debtors	2,378,255	2,389,948
Amounts owed by group undertakings	23,724	22,750
Other debtors	-	58,196
Prepayments and accrued income	25,774	-
	<u>2,427,753</u>	<u>2,470,894</u>

**14. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	78,353	161,363
	<u>78,353</u>	<u>161,363</u>

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**15. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Bank loans	57,524	10,179
Trade creditors	1,410,517	1,025,937
Amounts owed to group undertakings	37,805	29,180
Corporation tax	19,718	12,695
Other taxation and social security	149,271	63,712
Obligations under finance lease and hire purchase contracts	87,083	60,460
Other creditors	1,970,879	2,031,687
Accruals and deferred income	293,606	30,559
	<u>4,026,403</u>	<u>3,264,409</u>

**Secured loans**

Included in creditors due within one year are bank loans totalling £57,524 (2015: £10,179) on which security has been given by the company.

The company has given a cross guarantee and debenture to the bank in respect of the borrowing of the company and of group companies Lubricant Holdings (Midlands) Limited and Oiline Limited.

**16. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Bank loans	451,344	4,313
Net obligations under finance leases and hire purchase contracts	122,519	119,119
	<u>573,863</u>	<u>123,432</u>

**Secured loans**

Included in creditors falling due after more than one year are bank loans totalling £451,344 (2015: £4,313) on which security has been given by the company.

Included in creditors falling due after more than one year is an amount of £235,699 due after more than five years.

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**17. Hire purchase & finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	87,083	60,460
Between 1-2 years	52,915	50,337
Between 2-5 years	69,604	68,782
	<u>209,602</u>	<u>179,579</u>

**18. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	2,401,978	2,470,894
	<u>2,401,978</u>	<u>2,470,894</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(4,358,039)	(3,311,433)
	<u>(4,358,039)</u>	<u>(3,311,433)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise bank loans, obligations under hire purchase contracts, trade creditors, other creditors and accruals.

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**19. Deferred taxation**

	Deferred tax £
At 1 April 2015	(95,410)
Charged to the profit or loss	(17,714)
<b>At 31 March 2016</b>	<u><u>(113,124)</u></u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(113,124)	(95,410)
	<u><u>(113,124)</u></u>	<u><u>(95,410)</u></u>

**20. Share capital**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u><u>100</u></u>	<u><u>100</u></u>

**21. Reserves**

**Profit and loss account**

Profit and loss account represents all current and prior period retained profits and losses.

**22. Pension commitments**

The company operates a defined contributions pension scheme for the benefit of the directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £86,967 (2015: £193,950).

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**23. Commitments under operating leases**

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	10,090	1,410
Later than 1 year and not later than 5 years	9,544	35,730
<b>Total</b>	<u>19,634</u>	<u>37,140</u>

**24. Related party transactions**

Included in other (debtors) / creditors are loans from a director on which transactions during the year were as follows:

	Balance as at 1 April 2015 £	Dividends credited £	Net cash withdrawn £	Balance as at 31 March 2016 £
M S Lord	(10,000)	90,000	(79,014)	986
	<u>(10,000)</u>	<u>90,000</u>	<u>(79,014)</u>	<u>986</u>

M Lord is also a director and shareholder of the following companies:

Lubricant Holdings (Midlands) Limited - 100% shareholding  
Oiline Limited - Lubricant Holdings (Midlands) Limited - 100% shareholding.

During the year, Aztec Oils Limited made sales of £nil (2015: £1,213,750) to Oiline Limited. These were all arms length transactions made in the normal course of the company's business. On 1 April 2015 all of the trade of Oiline Limited was incorporated into Aztec Oils Limited. The trade and certain fixed assets and liabilities of Oiline Limited were transferred to the company at book value of £29,180.

Included within debtors is £23,724 (2015: £22,750) owing from Lubricant Holdings (Midlands) Limited.

Included within creditors is £37,805 (2015: £29,180) owing to Oiline Limited.

**25. Controlling party**

Aztec Oils Limited is a wholly owned subsidiary of Lubricant Holdings (Midlands) Limited. The ultimate controlling party is M Lord.

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**AZTEC OILS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.