

Aberdeen Oils Limited
SC220344

Report and Financial Statements
For the year ended 31 December 2008

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Aberdeen Oils Limited

Company information

Directors

G G M Shand
L W Farmer

Company number

220344

Registered office

Kintail House
Beechwood Business Park
Inverness
IV2 3BW

Auditors

Ernst & Young LLP
Barony House
Stoneyfield Business Park
Stoneyfield
Inverness
IV2 7PA

Bankers

Royal Bank of Scotland
29 Harbour Road
Inverness
IV1 1NU

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Directors' Report
For the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company during the year was that of the wholesale of fuels and related products.

Directors

The directors who served during the year were:

G G M Shand
L W Farmer

Provision 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

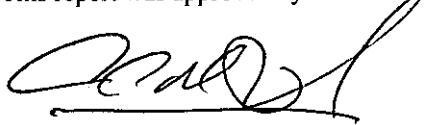
The auditors, Ernst & Young LLP will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on

20-05-09

and signed on its behalf.



G G M Shand
Director

**Statement of directors' responsibilities
for the year ended 31 December 2008**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' report to the members of Aberdeen Oils Limited

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' report to the members of Aberdeen Oils Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements..

Ernst & Young LLP
Ernst & Young LLP
Registered auditors
Inverness
Date: 25/5/2009

**Profit and loss account
for the year ended 31 December 2008**

| | <i>Note</i> | <i>2008</i> £ | <i>2007</i> £ |
|--|-------------|------------------|------------------|
| Turnover | 1 | 33,038,200 | 13,748,909 |
| Cost of sales | | (31,887,994) | (13,237,797) |
| Gross profit | | 1,150,206 | 511,112 |
| Selling and distribution costs | | (625,159) | (361,616) |
| Administrative expenses | | (90,475) | (39,327) |
| Operating profit | 2 | 434,572 | 110,169 |
| Interest payable | | (1,612) | - |
| Profit on ordinary activities before taxation | | 432,960 | 110,169 |
| Tax on profit on ordinary activities | 3 | (123,382) | (28,187) |
| Profit for the financial year | 7 | 309,578 | 81,982 |

The notes on pages 7 to 9 form part of these financial statements.

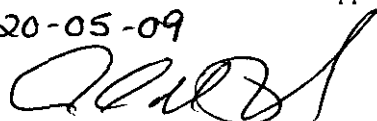
**Balance sheet
as at 31 December 2008**

| | Note | £ | 2008 £ | £ | 2007 £ |
|---|------|--------------------|----------------|--------------------|----------------|
| Current assets | | | | | |
| Debtors | 4 | 2,736,882 | | 1,976,818 | |
| Creditors: amounts falling due within one year | 5 | <u>(1,965,423)</u> | | <u>(1,514,937)</u> | |
| Net current assets | | | 771,459 | | 461,881 |
| Total assets less current liabilities | | | <u>771,459</u> | | <u>461,881</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 6 | | 1 | | 1 |
| Profit and loss account | 7 | | <u>771,458</u> | | <u>461,880</u> |
| Shareholders' funds | | | <u>771,459</u> | | <u>461,881</u> |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

20-05-09



G G M Shand
Director

The notes on pages 7 to 9 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

2. Operating profit

During the year, no director received any emoluments (2007 - £NIL).

3. Taxation

| | 2008 £ | 2007 £ |
|--|-----------|-----------|
| UK corporation tax charge on profit for the year | 123,382 | 28,187 |

There were no factors that may affect future tax charges.

4. Debtors

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 2,730,995 | 1,897,214 |
| Amounts owed by group undertakings | - | 75,983 |
| Other debtors | 5,887 | 3,621 |
| | <u>2,736,882</u> | <u>1,976,818</u> |

Notes to the financial statements

For the year ended 31 December 2008

5. Creditors: Amounts falling due within one year

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 980,508 | 1,338,874 |
| Amounts owed to group undertakings | 722,675 | - |
| Corporation tax | 123,382 | 28,187 |
| Other creditors | 138,858 | 147,876 |
| | <u>1,965,423</u> | <u>1,514,937</u> |

Aberdeen Oils Limited's trade debtors are subject to a security in favour of The Royal Bank of Scotland Commercial Services Limited, under an invoice discounting (with recourse) agreement. The company has also granted a bond and floating charge in favour of RBS Invoice Finance Limited. The facility bears interest at 1% over bank base rate up to the agreed facility. There were no debts outstanding with RBS Invoice Finance Limited as at 31 December 2008.

6. Share capital

| | 2008 £ | 2007 £ |
|---|--------------|--------------|
| Authorised | | |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

7. Reserves

| | <i>Profit and loss account</i> £ |
|---------------------|---|
| At 1 January 2008 | 461,880 |
| Profit for the year | 309,578 |
| At 31 December 2008 | <u>771,458</u> |

8. Contingent liabilities

The group's bankers, the Royal Bank of Scotland plc, hold a guarantee by Aberdeen Oils Limited in favour of Highland Fuels Limited, for the parent company's borrowings up to a limit of £763,000.

Notes to the financial statements
For the year ended 31 December 2008

9. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard for Smaller Entities, not to disclose any transactions with entities that are part of the Group which qualify as related parties, on the grounds that it is a subsidiary undertaking where 90% or more of its voting rights are controlled within the Group. There were no other related party transactions.

10. Ultimate parent undertaking and controlling party

Highland Fuels Limited, a company registered in Scotland, is the intermediate parent company and the controlling party of the smallest group to consolidate the accounts of the company. Copies of these consolidated accounts may be obtained from the Registrar of Companies.

The directors regard Highland Fuels Holdings Limited, a company registered in Scotland, as the ultimate parent company and controlling party. Copies of the parent's consolidated financial statements, which include the company, may be obtained from the Registrar of Companies.