

Aberdeen Oils Limited

Report and financial statements

For the year ended 31 December 2015

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Aberdeen Oils Limited

Company Information

Directors	G G M Shand Mrs I Cruden
Company secretary	Burness Paull LLP
Registered number	SC220344
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Independent auditors	Ernst & Young LLP Barony House Stoneyfield Business Park Inverness IV2 7PA
Bankers	Royal Bank of Scotland 29 Harbour Road Inverness IV1 1NU

Aberdeen Oils Limited

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Strategic report
For the year ended 31 December 2015

Introduction

The directors present their strategic report for the year ended 31 December 2015.

Business review

Turnover has reduced by 38% due to a reduction in both fuel prices and sales volumes.
Profit after tax increased by 5% due mainly to a reduction in administrative expenses.
After carrying forward retained profits for 2015 of £397k shareholders' funds have risen by 14% to £3,279k..

Principal risks and uncertainties

Health, safety and environment

The nature of the group's activities are such that the highest standards of health, safety and environmental stewardship is of the essence. Accordingly the provision of best practice training is a top priority and every precaution is taken otherwise to minimise risk. A full log is maintained of any occurrences for review by the Board of Directors.

Competitive risks

The group operates in a highly competitive environment but it is not exposed to over reliance on a small number of customers nor to a particular business sector. It also seeks to encourage customer loyalty by providing the highest practicable standard of service.

Credit risks

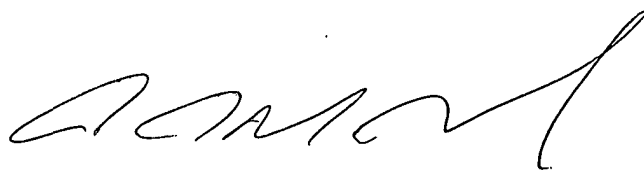
In order to minimise risk of loss through customers defaulting a robust credit assessment and management process is in place, which includes credit insurance in appropriate circumstances.

Liquidity and cash flow risk

In addition to diligent credit control the group's banking facilities have been structured to provide maximum flexibility to meet its trading needs.

This report was approved by the board on 15th June 2016 and signed on its behalf.

G G M Shand
Director



Aberdeen Oils Limited

**Directors' report
For the year ended 31 December 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

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

Results

The profit for the year, after taxation, amounted to £397,195 (2014 - £379,161)

Directors

The directors who served during the year were:

G G M Shand
Mrs I Cruden

Future developments

The directors intend to continue with the management policies which have resulted in significant business growth in recent years. This essentially involves organic growth combined with appropriate synergetic acquisitions as and when suitable opportunities arise.

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, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15th June 2016 and signed on its behalf.

G G M Shand
Director



**Directors' responsibilities statement
For the year ended 31 December 2015**

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 satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

Independent auditors' report to the member of Aberdeen Oils Limited

We have audited the financial statements of Aberdeen Oils Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 3, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statement

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 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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

Aberdeen Oils Limited

Independent auditors' report to the member of Aberdeen Oils Limited

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.

Ernst & Young LLP

Donald Forsyth (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP

Statutory auditors

Inverness

Date: *27 June 2016*

Aberdeen Oils Limited

**Statement of comprehensive income
For the year ended 31 December 2015**

	Note	2015 £	2014 £
Turnover		41,866,372	67,422,418
Cost of sales		(40,199,417)	(65,482,567)
Gross profit		1,666,955	1,939,851
Distribution costs		(668,859)	(928,454)
Administrative expenses		(503,312)	(527,797)
Operating profit	3	494,784	483,600
Interest payable and expenses	6	(693)	(635)
Profit on taxation		494,091	482,965
Tax on profit	7	(96,896)	(103,804)
Profit for the year		397,195	379,161
Other comprehensive income for the year		-	-
Total comprehensive income for the year		397,195	379,161

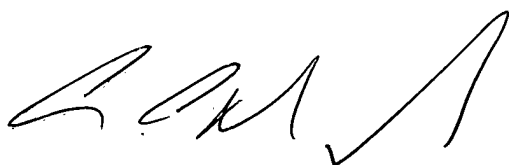
Balance sheet
As at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Stocks	8	33,719	43,496
Debtors: amounts falling due within one year	9	3,638,560	5,192,457
		<u>3,672,279</u>	<u>5,235,953</u>
Creditors: amounts falling due within one year	10	(393,598)	(2,354,467)
Net current assets		<u>3,278,681</u>	<u>2,881,486</u>
Total assets less current liabilities		<u>3,278,681</u>	<u>2,881,486</u>
Net assets		<u><u>3,278,681</u></u>	<u><u>2,881,486</u></u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		<u>3,278,680</u>	<u>2,881,485</u>
		<u><u>3,278,681</u></u>	<u><u>2,881,486</u></u>

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

5th JUNE 2016

G G M Shand
Director



The notes on pages 10 to 14 form part of these financial statements.

Aberdeen Oils Limited

Statement of changes in equity
As at 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	1	2,881,485	2,881,486
Comprehensive income for the year			
Profit for the year	-	397,195	397,195
At 31 December 2015	<u>1</u>	<u>3,278,680</u>	<u>3,278,681</u>

Aberdeen Oils Limited

Statement of changes in equity
As at 31 December 2014

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014	1	2,502,324	2,502,325
Comprehensive income for the year			
Profit for the year	-	379,161	379,161
At 31 December 2014	<u>1</u>	<u>2,881,485</u>	<u>2,881,486</u>

The notes on pages 10 to 14 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2015**

1. Accounting policies

1.1 Statement of compliance and basis of preparation

Aberdeen Oils Limited is a limited liability company incorporated in Scotland. The registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

The financial statements have been prepared in compliance with Financial Reporting Standard 102, as it applies to the financial statements of the Company for the year ended 31 December 2015. The financial statements are prepared in sterling which is the functional currency of the company.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 December 2014. 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 and loss. Accordingly there are no reconciliations from previously extant UK GAAP to FRS 102 presented.

1.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amount reported for revenues and expenses during the year.

There were no judgements or material estimation uncertainties affecting the reported financial performance in the current or prior year.

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Highland Fuels (Investments) Limited as at 31 December 2015 and these financial statements may be obtained from 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

1.4 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Notes to the financial statements
For the year ended 31 December 2015**

1. Accounting policies (continued)

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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.

1.6 Short-term debtors and creditors

Short term debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.7 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 income 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.

2. Analysis of turnover

All turnover arose within the United Kingdom and is attributable to one continuing activity.

3. Operating profit

During the year, no director received any emoluments (2014 - £NIL).

4. Auditors' remuneration

The audit fee for the period was incurred by Highland Fuels Limited, the immediate parent undertaking of the entity.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

Aberdeen Oils Limited

Notes to the financial statements
For the year ended 31 December 2015

6. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	693	635
	<u>693</u>	<u>635</u>

7. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	100,037	103,804
Adjustments in respect of previous periods	(3,141)	-
Total current tax	<u>96,896</u>	<u>103,804</u>
Taxation on profit on ordinary activities	<u>96,896</u>	<u>103,804</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014- lower than) the standard rate of the corporation tax in the UK of 20.25% (2014- 21.5%). The differences are explained below.

	2015 £	2014 £
Profit on ordinary activities before tax	<u>494,091</u>	<u>482,965</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	100,053	103,837
Effects of:		
Other differences leading to a decrease in the tax charge	(16)	(33)
Adjustments from previous periods	(3,141)	-
Total tax charge for the year	<u>96,896</u>	<u>103,804</u>

Factors that may affect future tax charges

The UK corporation tax rate reduced to 20% from 1 April 2015.

Aberdeen Oils Limited

Notes to the financial statements
For the year ended 31 December 2015

8. Stocks

	2015 £	2014 £
Bulk fuel stock	33,719	43,496
	<u>33,719</u>	<u>43,496</u>

9. Debtors

	2015 £	2014 £
Trade debtors	2,336,993	4,717,385
Amounts owed by group undertakings	1,178,869	-
Prepayments and accrued income	122,698	475,072
	<u>3,638,560</u>	<u>5,192,457</u>

10. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	325,315	1,903,899
Amounts owed to group undertakings	-	397,259
Corporation tax	39,696	36,400
Accruals and deferred income	28,587	16,909
	<u>393,598</u>	<u>2,354,467</u>

11. Secured debts

The company has granted a bond and floating charge in favour of The Royal Bank of Scotland Plc and RBS Invoice Finance Limited.

Aberdeen Oils Limited

Notes to the financial statements
For the year ended 31 December 2015

12. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

13. Contingent liabilities

Highland Fuels Limited, Aberdeen Oils Limited, Thames Petroleum (Scotland) Limited, Thames Gold Holdings Limited and Gold Filling Stations Limited have entered into cross guarantees in respect of each company's indebtedness to RBS Invoice Finance Limited.

14. Controlling party

The company's immediate parent undertaking is Highland Fuels Limited, a company registered in Scotland.

The ultimate parent undertaking and controlling party is Highland Fuels (Investments) Limited, a company registered in Scotland.

Highland Fuels Limited is the parent undertaking of the smallest group of which Aberdeen Oils Limited is a member and for which group financial statements are drawn up.

Highland Fuels (Investments) Limited is the parent undertaking of the largest group of which Aberdeen Oils Limited is a member and for which group financial statements are drawn up.