

Aberdeen Oils Limited

Report and Financial Statements
for the year ended 31 December 2013

THURSDAY



S39WT98W

SCT

12/06/2014

#179

COMPANIES HOUSE

Aberdeen Oils Limited

Company Information

Directors	G G M Shand Mrs I Cruden
Company secretary	Ledingham Chalmers LLP
Registered number	SC220344
Registered office	Kintail House Beechwood Business Park Inverness IV2 3BW
Independent auditors	Ernst & Young LLP Barony House Stoneyfield Business Park Stoneyfield Inverness IV2 7PA
Bankers	Royal Bank of Scotland 29 Harbour Road Inverness IV1 1NU

Aberdeen Oils Limited

Contents

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 11

Aberdeen Oils Limited

Strategic report for the year ended 31 December 2013

The directors present their Strategic report for the year ended 31 December 2013.

Business review

Turnover has increased by 24.7% due to a increase in the volume of fuel sales.

Total operating profit increased by 92.1% during the year mostly as a result of the increase in fuel sales.

Profit after tax shows an increase of 99% compared with the prior year all of which was due to an upturn in trading.

After carrying forward retained profits for 2012 of £1,957,179, shareholder's funds have risen by 27.9% to £2,502,325.

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. No major incidents were recorded during the period under review.

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.

Employee involvement

The company strives to ensure employees are kept fully informed of all relevant matters affecting their employment.

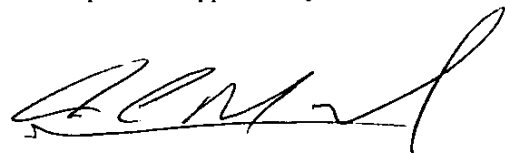
Disabled employees

The group gives full consideration to applications for employment from disabled persons whose experience and qualifications are suitable. A similar non-discriminatory policy is adopted in relation to training and career development opportunities.

This report was approved by the board on

4th June 2014

and signed on its behalf.



G G M Shand
Director

Aberdeen Oils Limited

**Directors' report
for the year ended 31 December 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activities

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 £545,146 (2012 - £273,899).

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

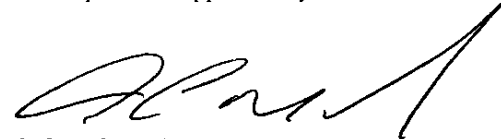
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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 4th June 2014 and signed on its behalf.



G G M Shand
Director

**Directors' responsibilities statement
for the year ended 31 December 2013**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- 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 members, as a body, of Aberdeen Oils Limited

We have audited the financial statements of Aberdeen Oils Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of Directors' Responsibilities 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 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 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 2013 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 matter prescribed by the Companies Act 2006

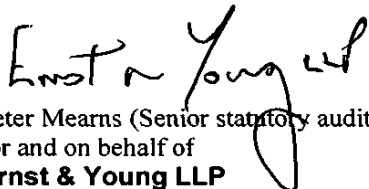
In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members, as a body, 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.



Peter Mearns (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory auditor

Inverness

Date: 9/6/2014

Aberdeen Oils Limited

**Profit and loss account
for the year ended 31 December 2013**

	Note	2013 £	2012 £
Turnover	1,2	62,875,469	50,408,907
Cost of sales		(61,135,269)	(49,348,799)
Gross profit		1,740,200	1,060,108
Distribution costs		(749,796)	(557,657)
Administrative expenses		(273,014)	(129,043)
Operating profit	3	717,390	373,408
Interest receivable and similar income		771	-
Interest payable and similar charges	5	(7,905)	(13,356)
Profit on ordinary activities before taxation		710,256	360,052
Tax on profit on ordinary activities	6	(165,110)	(86,153)
Profit for the financial year	11	545,146	273,899

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.


The notes on pages 8 to 11 form part of these financial statements.

Aberdeen Oils Limited
Registered number: SC220344

Balance sheet
as at 31 December 2013

	Note	£	2013 £	2012 £
Current assets				
Stocks	7	607,761	305,643	
Debtors	8	5,576,819	4,701,999	
		<u>6,184,580</u>	<u>5,007,642</u>	
Creditors: amounts falling due within one year	9	<u>(3,682,255)</u>	<u>(3,050,463)</u>	
Net current assets			<u>2,502,325</u>	<u>1,957,179</u>
Net assets			<u>2,502,325</u>	<u>1,957,179</u>
Capital and reserves				
Called up share capital	10		1	1
Profit and loss account	11		<u>2,502,324</u>	<u>1,957,178</u>
Shareholders' funds	12		<u>2,502,325</u>	<u>1,957,179</u>

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

4th June 2014


G G M Shand
 Director

The notes on pages 8 to 11 form part of these financial statements.

Aberdeen Oils Limited

**Notes to the financial statements
for the year ended 31 December 2013**

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 applicable accounting standards.

1.2 Turnover

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

1.3 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

2. Turnover

All turnover arose within the United Kingdom.

3. Operating profit

Auditors' remuneration for Aberdeen Oils Limited of £2,500 (2012 - £2,000) has been paid by the parent company.

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL).

5. Interest payable

	2013 £	2012 £
On bank loans and overdrafts	7,905	13,356

Aberdeen Oils Limited

**Notes to the financial statements
for the year ended 31 December 2013**

6. Taxation

	2013 £	2012 £
<i>Analysis of tax charge in the year</i>		
UK corporation tax charge on profit for the year	165,110	86,629
Adjustments in respect of prior periods	-	(476)
<i>Tax on profit on ordinary activities</i>	<u>165,110</u>	<u>86,153</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>710,256</u>	<u>360,052</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	165,135	88,213
<i>Effects of:</i>		
Adjustments to tax charge in respect of prior periods	-	(476)
Other differences leading to an increase (decrease) in the tax charge	(25)	-
Marginal relief	-	(1,584)
<i>Current tax charge for the year (see note above)</i>	<u>165,110</u>	<u>86,153</u>

Factors that may affect future tax charges

The Autumn Statement 2012 announced that the UK corporation tax rate for financial years beginning 1 April 2014 would be reduced to 21%. The Budget on 20 March 2013 announced that the UK corporation tax rate for financial years beginning 1 April 2015 would further reduce to 20%.

It has not yet been possible to quantify the full anticipated effect of the announced rate reductions, although these will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

7. Stocks

	2013 £	2012 £
Bulk fuel stock	<u>607,761</u>	<u>305,643</u>

Aberdeen Oils Limited

**Notes to the financial statements
for the year ended 31 December 2013**

8. Debtors

	2013 £	2012 £
Trade debtors	5,455,504	4,488,566
Prepayments and accrued income	121,315	213,433
	<u>5,576,819</u>	<u>4,701,999</u>

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

	2013 £	2012 £
Trade creditors	1,731,881	1,251,300
Amounts owed to group undertakings	1,643,591	1,681,295
Corporation tax	165,110	44,153
Accruals and deferred income	141,673	73,715
	<u>3,682,255</u>	<u>3,050,463</u>

10. Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. Reserves

	Profit and loss account £
At 1 January 2013	1,957,178
Profit for the financial year	545,146
	<u>2,502,324</u>
At 31 December 2013	

Aberdeen Oils Limited

**Notes to the financial statements
for the year ended 31 December 2013**

12. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	1,957,179	1,683,280
Profit for the financial year	545,146	273,899
Closing shareholders' funds	<u>2,502,325</u>	<u>1,957,179</u>

13. 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 £750,000.

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 2.5% over bank base rate up to the agreed facility.

14. Related party transactions

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures, 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 100% of its voting rights are controlled within the Group. There were no other related party transactions.

15. 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 (Investments) 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.