

**Aberdeen Oils Limited**

**Report and Financial Statements**

**for the year ended 31 December 2014**

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**Aberdeen Oils Limited**

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**Company Information**

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

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**Strategic report  
for the year ended 31 December 2014**

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The directors present their Strategic report for the year ended 31 December 2014.

***Business review***

Turnover has increased by 7% due to an increase in the volume of fuel sales.  
Profit after tax has decreased by 30% on the prior year due to an increase in distribution and administrative costs.  
After carrying forward retained profits for 2013 of £2,502,325 shareholder's funds have risen by 15% to £2,881,486.

***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.

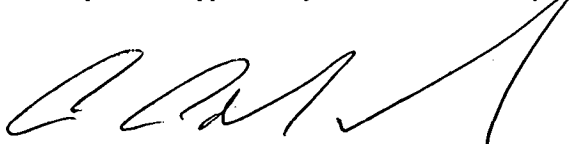
***Employee involvement***

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 17 July 2015 and signed on its behalf.



**G G M Shand**  
Director

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**Aberdeen Oils Limited**

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**Directors' report  
for the year ended 31 December 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

**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 £379,161 (2013 - £545,146).

**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**

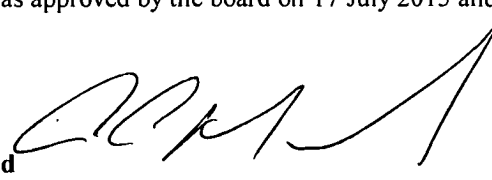
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- ☐ 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 17 July 2015 and signed on its behalf.

  
G G M Shand  
Director

**Directors' responsibilities statement  
for the year ended 31 December 2014**

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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.

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## **Independent auditors' report to the members, as a body, of Aberdeen Oils Limited**

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We have audited the financial statements of Aberdeen Oils Limited for the year ended 31 December 2014, 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 2014 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.

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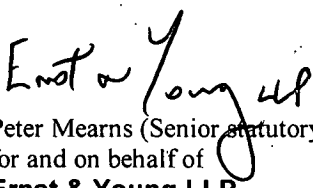
## Independent auditors' report to the members, as a body, of Aberdeen Oils Limited

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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.

  
Peter Mearns (Senior statutory auditor)  
for and on behalf of  
**Ernst & Young LLP**  
Statutory auditor  
Inverness

17 July 2015



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**Aberdeen Oils Limited**

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**Profit and loss account  
for the year ended 31 December 2014**

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	Note	2014 £	2013 £
<b>Turnover</b>	1,2	67,422,418	62,875,469
Cost of sales		(65,482,567)	(61,135,269)
<b>Gross profit</b>		1,939,851	1,740,200
Distribution costs		(928,454)	(749,796)
Administrative expenses		(527,797)	(273,014)
<b>Operating profit</b>	3	483,600	717,390
Interest receivable and similar income		-	771
Interest payable and similar charges	5	(635)	(7,905)
<b>Profit on ordinary activities before taxation</b>		482,965	710,256
Tax on profit on ordinary activities	6	(103,804)	(165,110)
<b>Profit for the financial year</b>	11	379,161	545,146

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

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

Balance sheet  
as at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Current assets</b>					
Stocks	7	43,496		607,761	
Debtors	8	5,192,457		5,576,819	
		<u>5,235,953</u>		<u>6,184,580</u>	
<b>Creditors: amounts falling due within one year</b>	9	(2,354,467)		(3,682,255)	
<b>Net current assets</b>			2,881,486		2,502,325
<b>Net assets</b>			<u>2,881,486</u>		<u>2,502,325</u>
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Profit and loss account	11		2,881,485		2,502,324
<b>Shareholders' funds</b>	12		<u>2,881,486</u>		<u>2,502,325</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 July 2015.

G G M Shand  
Director



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

**Notes to the financial statements  
for the year ended 31 December 2014**

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**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.

**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 not discounted.

**2. Turnover**

All turnover arose within the United Kingdom.

**3. Operating profit**

Auditors' remuneration for Aberdeen Oils Limited of £2,750 (2013 - £2,500) 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 (2013 - £NIL).

**5. Interest payable**

	2014	2013
	£	£
On bank loans and overdrafts	635	7,905

Notes to the financial statements  
for the year ended 31 December 2014

6. Taxation

	2014 £	2013 £
UK corporation tax charge on profit for the year	103,804	165,110

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	482,965	710,256
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	103,837	165,135
<b>Effects of:</b>		
Other differences leading to an increase (decrease) in the tax charge	(33)	(25)
<b>Current tax charge for the year (see note above)</b>	103,804	165,110

**Factors that may affect future tax charges**

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%.

7. Stocks

	2014 £	2013 £
Bulk fuel stock	43,496	607,761

8. Debtors

	2014 £	2013 £
Trade debtors	4,717,385	5,455,504
Prepayments and accrued income	475,072	121,315
	5,192,457	5,576,819

**Notes to the financial statements  
for the year ended 31 December 2014**

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

	2014 £	2013 £
Trade creditors	1,903,899	1,731,881
Amounts owed to group undertakings	397,259	1,643,591
Corporation tax	36,400	165,110
Accruals and deferred income	16,909	141,673
	<u>2,354,467</u>	<u>3,682,255</u>

**10. Share capital**

	2014 £	2013 £
<b><i>Allotted, called up and fully paid</i></b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**11. Reserves**

	Profit and loss account £
At 1 January 2014	2,502,324
Profit for the financial year	379,161
At 31 December 2014	<u>2,881,485</u>

**12. Reconciliation of movement in shareholders' funds**

	2014 £	2013 £
Opening shareholders' funds	2,502,325	1,957,179
Profit for the financial year	379,161	545,146
Closing shareholders' funds	<u>2,881,486</u>	<u>2,502,325</u>

**Notes to the financial statements  
for the year ended 31 December 2014**

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**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 is a wholly owned subsidiary of Highland Fuels (Investments) Limited. Accordingly, it has taken advantage of the exemption available in FRS 8 from disclosing transactions with other wholly owned subsidiaries within the Highland Fuels Group.

**15. Ultimate parent undertaking and 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.