

Company Registration No. NI030281 (Northern Ireland)

A H FUEL OILS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



A H FUEL OILS LTD

COMPANY INFORMATION

Directors Mr A Hutchinson
Mrs Rita Hutchinson

Secretary Mr A Hutchinson

Company number NI030281

Registered office 9A Clare Lane
Cookstown
Co Tyrone
BT80 8RJ

Auditor David Lyttle & Co Ltd
Station House
46 Molesworth Street
Cookstown
Co Tyrone
BT80 8PA

Business address 9A Clare Lane
Cookstown
Co Tyrone
BT80 8RJ

Bankers Bank of Ireland
32 James Street
Cookstown
Co Tyrone
BT80 8LU

Santander UK plc
Bridle Road
Bootle
L30 4GB

Solicitors Doris and MacMahon
63 James Street
Cookstown
Co Tyrone
BT80 8AE

A H FUEL OILS LTD

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A H FUEL OILS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Fair review of the business

The directors consider the results for the year and the financial position of the company at the year end to be satisfactory. The underlying trade continues to be strong with growth achieved in turnover and gross margin. The company's increased share of the oil market has been assisted by the continued expansion of the Solo brand. The directors will continue to seek every opportunity to increase profitable turnover.

Principal risks and uncertainties

Risks and Uncertainties

The Directors have identified the following areas of risk and uncertainty:-

Business Performance

Business performance is dependent on both market conditions and internal factors. The Directors seek to control this risk through the consistent implementation of good financial and operational controls.

Management and Employees

The Directors recognise the importance of recruitment, training and retention of a highly skilled and motivated workforce. There is risk that future growth could be impeded due to a lack of skilled resources. This risk is being addressed by internal training and development programmes.

Environment

The company recognises its responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation and prevent pollution.

Health and Safety

The company is committed to achieving the highest practicable standards in health and safety and strives to ensure that all equipment and premises are safe for customers and employees alike.

Key performance indicators

The directors have determined that the following key performance indicators are the most effective measures to evaluate the performance of the business:

	2016	2015
	£	£
Turnover	85,097,294	86,801,130
Profit/(loss) before taxation	(107,985)	176,299

On behalf of the board



Mr A Hutchinson
Director
27 September 2017

A H FUEL OILS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activities

The principal activity of the company in the year under review was the sale and distribution of motor fuels and domestic heating oils.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Hutchinson

Mrs Rita Hutchinson

Results and dividends

The results for the year are set out on page 6.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future. Bad debts written off in the year are higher than they have been in the past and credit insurance has been put in place to address this.

Interim dividends of £nil were paid in the year (2015: £40,500). The directors do not recommend the payment of a final dividend.

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all environmental legislation, prevent pollution and reduce waste wherever possible.

Future developments

Whilst market conditions remain highly competitive, the directors are encouraged by their recurring business and anticipate further growth in volume and turnover in 2017. This is further aided by the continued development of the 'Solo' brand throughout Northern Ireland.

A H FUEL OILS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of directors' responsibilities

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). 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:

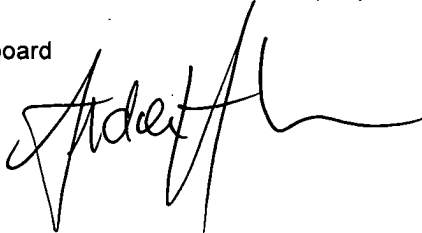
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr A Hutchinson
Director
27 September 2017

A H FUEL OILS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A H FUEL OILS LTD

We have audited the financial statements of A H Fuel Oils Ltd for the year ended 31 December 2016 set out on pages 6 to 23. 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), including FRS 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 annual 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 2016 and of its loss 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, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

A H FUEL OILS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A H FUEL OILS LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.



David Lyttle (Senior Statutory Auditor)
for and on behalf of David Lyttle & Co Ltd

27 September 2017

Chartered Accountants
Statutory Auditor

Station House
46 Molesworth Street
Cookstown
Co Tyrone
BT80 8PA

A H FUEL OILS LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	85,097,294	86,801,130
Cost of sales		(82,797,255)	(84,519,316)
Gross profit		2,300,039	2,281,814
Administrative expenses		(2,389,968)	(2,043,673)
Other operating income		117,092	89,076
Operating profit	4	27,163	327,217
Interest payable and similar expenses	7	(135,148)	(150,918)
(Loss)/profit before taxation		(107,985)	176,299
Tax on	8	(10,823)	(64,081)
(Loss)/profit for the financial year		(118,808)	112,218
Retained earnings brought forward		1,676,212	1,604,494
Dividends	9	-	(40,500)
Retained earnings carried forward		<u>1,557,404</u>	<u>1,676,212</u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

A H FUEL OILS LTD

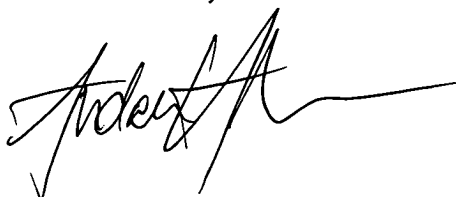
BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Goodwill	10		186,471		208,138
Tangible assets	11		3,785,210		3,618,091
			<u>3,971,681</u>		<u>3,826,229</u>
Current assets					
Stocks	12	569,133		519,133	
Debtors	13	10,477,743		7,993,073	
Cash at bank and in hand		207,306		179,368	
		<u>11,254,182</u>		<u>8,691,574</u>	
Creditors: amounts falling due within one year	14	(11,929,656)		(9,103,596)	
Net current liabilities			<u>(675,474)</u>		<u>(412,022)</u>
Total assets less current liabilities			3,296,207		3,414,207
Creditors: amounts falling due after more than one year	15		(625,786)		(635,801)
Provisions for liabilities	17		(220,452)		(209,629)
Net assets			<u>2,449,969</u>		<u>2,568,777</u>
Capital and reserves					
Called up share capital	20		100		100
Share premium account			66,905		66,905
Revaluation reserve			825,560		825,560
Profit and loss reserves			1,557,404		1,676,212
Total equity			<u>2,449,969</u>		<u>2,568,777</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2017 and are signed on its behalf by:

Mr A Hutchinson
Director



Company Registration No. NI030281

A H FUEL OILS LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2015		100	66,905	825,560	1,604,494	2,497,059
Year ended 31 December 2015:						
Profit and total comprehensive income for the year		-	-	-	112,218	112,218
Dividends	9	-	-	-	(40,500)	(40,500)
Balance at 31 December 2015		100	66,905	825,560	1,676,212	2,568,777
Year ended 31 December 2016:						
Loss and total comprehensive income for the year		-	-	-	(118,808)	(118,808)
Balance at 31 December 2016		100	66,905	825,560	1,557,404	2,449,969

A H FUEL OILS LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(705,607)		1,905,839
Interest paid			(135,148)		(150,918)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(840,755)		1,754,921
Investing activities					
Purchase of tangible fixed assets		(461,559)		(448,401)	
Proceeds on disposal of tangible fixed assets		-		46,000	
Proceeds from other investments and loans		(131,718)		-	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(593,277)		(402,401)
Financing activities					
Proceeds from hire purchase contracts		146,269		93,600	
Repayment of bank loans		(62,456)		(58,760)	
Capital element of hire purchase contracts		(74,646)		(51,314)	
Dividends paid		-		(40,500)	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			9,167		(56,974)
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(1,424,865)		1,295,546
Cash and cash equivalents at beginning of year			(2,053,173)		(3,348,719)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			(3,478,038)		(2,053,173)
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			207,306		179,368
Bank loans and overdrafts included in creditors payable within one year			(3,685,344)		(2,232,541)
			<u> </u>		<u> </u>

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

A H Fuel Oils Ltd is a private company limited by shares incorporated in Northern Ireland. The registered office is 9A Clare Lane, Cookstown, Co Tyrone, BT80 8RJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Other income is recognised as the company's right to receive payment is established.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 15 years.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% Straight line
Plant and machinery	25% Reducing balance
Motor vehicles	15% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Freehold land is not depreciated.

1.6 Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Cost is calculated using first in first out formula. Provision is made for damaged, obsolete and slow moving stock where appropriate.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to 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 present value of the future cash flows 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, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, 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 that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rates. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

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.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.14 Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Sale of motor fuel and domestic heating oil	85,097,294	86,801,130

Turnover analysed by geographical market

	2016	2015
	£	£
Northern Ireland	85,097,294	86,801,130

4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(2,117)	(1,368)
Fees payable to the company's auditor for the audit of the company's financial statements	2,900	2,900
Depreciation of owned tangible fixed assets	254,773	226,778
Depreciation of tangible fixed assets held under hire purchase contracts	39,668	24,988
Profit on disposal of tangible fixed assets	-	(9,629)
Amortisation of intangible assets	19,667	19,667
Cost of stocks recognised as an expense	82,797,255	84,519,316
Operating lease charges	8,601	7,771

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Directors	2	2
Administration	19	17
	<u>21</u>	<u>19</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	609,832	439,529
Social security costs	37,468	34,491
Pension costs	1,100	1,150
	<u>648,400</u>	<u>475,170</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	174,880	24,880
Company pension contributions to defined contribution schemes	1,100	1,150
	<u>175,980</u>	<u>26,030</u>

7 Interest payable and similar expenses

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	25,337	30,899
Interest on finance leases and hire purchase contracts	6,806	5,084
Other interest on financial liabilities	76	319
	<u>32,219</u>	<u>36,302</u>
Other finance costs:		
Other interest	102,929	114,616
	<u>135,148</u>	<u>150,918</u>

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	10,823	64,081

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
(Loss)/profit before taxation	(107,985)	176,299
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(21,597)	35,260
Tax effect of expenses that are not deductible in determining taxable profit	177	173
Tax effect of income not taxable in determining taxable profit	-	(1,926)
Unutilised tax losses carried forward	18,579	18,718
Permanent capital allowances in excess of depreciation	(1,492)	(52,825)
Amortisation on assets not qualifying for tax allowances	4,333	600
Deferred tax adjustments in respect of prior years	10,823	64,081
Tax expense for the year	10,823	64,081

9 Dividends

	2016 £	2015 £
Interim paid	-	40,500

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	325,000
Amortisation and impairment	
At 1 January 2016	116,862
Amortisation charged for the year	21,667
At 31 December 2016	138,529
Carrying amount	
At 31 December 2016	186,471
At 31 December 2015	208,138

11 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2016	2,351,273	1,535,416	1,391,307	5,277,996
Additions	-	262,986	198,573	461,559
At 31 December 2016	2,351,273	1,798,402	1,589,880	5,739,555
Depreciation and impairment				
At 1 January 2016	93,292	663,248	903,364	1,659,904
Depreciation charged in the year	46,654	159,547	88,240	294,441
At 31 December 2016	139,946	822,795	991,604	1,954,345
Carrying amount				
At 31 December 2016	2,211,327	975,607	598,276	3,785,210
At 31 December 2015	2,257,981	872,168	487,942	3,618,091

The carrying value of land and buildings comprises:

	2016 £	2015 £
Freehold	2,211,327	2,257,981

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Motor vehicles	289,838	169,621
Depreciation charge for the year in respect of leased assets	39,668	24,988

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016 £	2015 £
Cost	1,784,845	1,784,845
Accumulated depreciation	333,660	297,963
Carrying value	1,451,185	1,486,882

The company's land and buildings were revalued on 31 December 2013 by O'Connor Kennedy Turtle, Lambert Smith Hampton and Jonathan Finch all members of Chartered Surveyors, on the basis of open market value for the existing use. The directors are not aware of any material change in value since the date of the valuation.

12 Stocks

	2016 £	2015 £
Finished goods and goods for resale	569,133	519,133

13 Debtors

Amounts falling due within one year:	2016 £	2015 £
Trade debtors	9,061,767	6,902,763
Other debtors	1,268,343	931,741
Prepayments and accrued income	147,633	158,569
	10,477,743	7,993,073

Included in trade debtors are balances totalling £6,569,037 that are subject to factoring agreements. Trade debtor balances have been transferred to the counterparty, the transaction does not qualify for derecognition on the basis that late payment risk is retained by the company. The associated liability recognised in creditors amounts to £4,017,897.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	3,773,160	2,322,361
Obligations under hire purchase contracts		71,737	50,550
Trade creditors		7,977,453	6,537,502
Other taxation and social security		9,556	10,939
Other creditors		86,132	173,172
Accruals and deferred income		11,618	9,072
		<u>11,929,656</u>	<u>9,103,596</u>

The bank loans are secured as follows:

- First legal charge over 30 Hillsborough Road, Carryduff
- First legal charge over 47 Mossley Road, Ballyrobert
- Assignment of rental income from both properties
- A guarantee & indemnity from A Hutchinson in the sum of £200,000
- First legal charge over the property at 20 Belfast Road, Carrickfergus.

Invoice discounting facility advances are secured by an all assets debenture, with a specific charge over trade debtors.

15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	537,816	598,268
Obligations under hire purchase contracts		87,970	37,533
		<u>625,786</u>	<u>635,801</u>

16 Loans and overdrafts

	2016 £	2015 £
Bank loans	625,632	688,088
Bank loans and overdrafts	3,685,344	2,232,541
	<u>4,310,976</u>	<u>2,920,629</u>
Payable within one year	3,773,160	2,322,361
Payable after one year	537,816	598,268
	<u>4,310,976</u>	<u>2,920,629</u>

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	18	<u>220,452</u>	<u>209,629</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>220,452</u>	<u>209,629</u>
Movements in the year:		2016 £
Liability at 1 January 2016		209,629
Charge to profit or loss		10,823
Liability at 31 December 2016		<u>220,452</u>

The deferred tax liability set out above is expected to reverse over the useful life of the assets and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,100</u>	<u>1,150</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

A H FUEL OILS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	1,976	1,976

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Andrew Hutchinson	167,680	17,680

The Company agreed to accept the novation of a financial contract from employee Andrew Hutchinson on 8 April 2016 as part of the employee's remuneration for the period. From the date of novation, the Company would benefit from any profits under the financial contract (a maximum of £12,179.70) and would become liable for any costs under the financial contract (a maximum of £150,000). The financial contract expired on 31 July 2016 and the Company lost £150,000 under the contract.

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	Sale of goods		Purchase of goods	
	2016 £	2015 £	2016 £	2015 £
Entities over which the company has control, joint control or significant influence:				
Tanksafe Solutions Ltd	3,965	3,594	14,404	13,348
Solo Direct Ltd	30,000	-	10,000	-
	<u>33,965</u>	<u>3,594</u>	<u>24,404</u>	<u>13,348</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

22 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2016	2015
Amounts owed to related parties	£	£
Entities over which the company has control, joint control or significant influence:		
Tanksafe Solutions Ltd	20,570	1,724
	20,570	1,724
	20,570	1,724

The following amounts were outstanding at the reporting end date:

	2016
Amounts owed by related parties	Balance
	£
Entities over which the company has control, joint control or significant influence:	
Tamlaght Estates Ltd	341,651
Solo Renewables Ltd	96,499
Solo Direct Ltd	519,257
Kosy Coal Ltd	39,375
Tanksafe Solutions Ltd	14,102
	1,010,884
	1,010,884
 Amounts owed in previous period	 Balance
	£
Tamlaght Estates Ltd	91,643
Solo Renewables Ltd	96,499
Solo Direct Ltd	353,808
Kosy Coal Ltd	39,375
Tanksafe Solutions Ltd	7,458
	588,783
	588,783

23 Directors' transactions

Dividends totalling £0 (2015 - £40,500) were paid in the year in respect of shares held by the company's directors.

Description	%	Opening balance	Amounts advanced	Closing balance
	Rate	£	£	£
Loan	-	-	131,718	131,718
		-	131,718	131,718
		-	131,718	131,718

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

24 Controlling party

The ultimate controlling party is Mr and Mrs Andrew Hutchinson.

25 Cash generated from operations

	2016	2015
	£	£
(Loss)/profit for the year after tax	(118,808)	112,218
Adjustments for:		
Taxation charged	10,823	64,081
Finance costs	135,148	150,918
Gain on disposal of tangible fixed assets	-	(9,629)
Amortisation and impairment of intangible assets	21,667	19,667
Depreciation and impairment of tangible fixed assets	294,441	251,766
Movements in working capital:		
(Increase) in stocks	(50,000)	(182,591)
(Increase)/decrease in debtors	(2,352,952)	1,140,368
Increase in creditors	1,354,074	359,041
Cash (absorbed by)/generated from operations	<u>(705,607)</u>	<u>1,905,839</u>