

Company Registration No. NI030281 (Northern Ireland)

**A H FUEL OILS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



# A H FUEL OILS LTD

## COMPANY INFORMATION

---

**Directors** Mr Andrew 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

## CONTENTS

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of income and retained earnings	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 25

---

# A H FUEL OILS LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

The directors present the strategic report for the year ended 31 December 2017.

#### 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:

	2017	2016
	£	£
Turnover	103,897,709	85,097,294
Profit/(loss) before taxation	408,740	(107,985)

On behalf of the board



Mr Andrew Hutchinson

Director

24 July 2018

# A H FUEL OILS LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

The directors present their annual report and financial statements for the year ended 31 December 2017.

#### **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 Andrew 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 £109,400 were paid in the year (2016: £nil). 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 2017

---

#### 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:

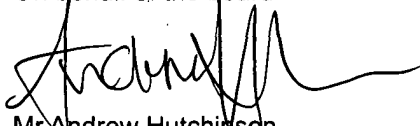
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

**Director**

24 July 2018

# A H FUEL OILS LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A H FUEL OILS LTD

---

### Opinion

We have audited the financial statements of A H Fuel Oils Ltd (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

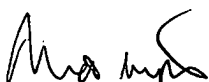
### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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.



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

24 July 2018

**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 2017

---

		2017	2016
	Notes	£	£
<b>Turnover</b>	<b>3</b>	103,897,708	85,097,294
Cost of sales		(101,213,574)	(82,797,255)
<b>Gross profit</b>		<u>2,684,134</u>	<u>2,300,039</u>
Administrative expenses		(2,721,513)	(2,389,968)
Other operating income		563,336	117,092
<b>Operating profit</b>	<b>4</b>	<u>525,957</u>	<u>27,163</u>
Interest receivable and similar income	<b>7</b>	10	-
Interest payable and similar expenses	<b>8</b>	(117,227)	(135,148)
<b>Profit/(loss) before taxation</b>		<u>408,740</u>	<u>(107,985)</u>
Tax on profit on ordinary activities	<b>9</b>	(23,420)	(10,823)
<b>Profit/(loss) for the financial year</b>		<u>385,320</u>	<u>(118,808)</u>
Retained earnings brought forward		1,557,404	1,676,212
Dividends	<b>10</b>	(59,400)	-
<b>Retained earnings carried forward</b>		<u><u>1,883,324</u></u>	<u><u>1,557,404</u></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 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		164,804		186,471
Tangible assets	12		3,837,318		3,785,210
			<u>4,002,122</u>		<u>3,971,681</u>
<b>Current assets</b>					
Stocks	13	576,922		569,133	
Debtors	14	12,385,846		10,477,743	
Cash at bank and in hand		251,616		207,306	
		<u>13,214,384</u>		<u>11,254,182</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(13,611,738)</u>		<u>(11,929,656)</u>	
<b>Net current liabilities</b>			<u>(397,354)</u>		<u>(675,474)</u>
<b>Total assets less current liabilities</b>			<u>3,604,768</u>		<u>3,296,207</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(601,603)		(625,786)
<b>Provisions for liabilities</b>	18		<u>(227,276)</u>		<u>(220,452)</u>
<b>Net assets</b>			<u><u>2,775,889</u></u>		<u><u>2,449,969</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		100		100
Share premium account			66,905		66,905
Revaluation reserve			825,560		825,560
Profit and loss reserves			1,883,324		1,557,404
<b>Total equity</b>			<u><u>2,775,889</u></u>		<u><u>2,449,969</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 July 2018 and are signed on its behalf by:



Mr Andrew Hutchinson  
Director

Company Registration No. NI030281

# A H FUEL OILS LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		100	66,905	825,560	1,676,212	2,568,777
<b>Year ended 31 December 2016:</b>						
Loss and total comprehensive income for the year		-	-	-	(118,808)	(118,808)
<b>Balance at 31 December 2016</b>		100	66,905	825,560	1,557,404	2,449,969
<b>Year ended 31 December 2017:</b>						
Profit and total comprehensive income for the year		-	-	-	385,320	385,320
Dividends	10	-	-	-	(59,400)	(59,400)
<b>Balance at 31 December 2017</b>		100	66,905	825,560	1,883,324	2,775,889

# A H FUEL OILS LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26	95,491		(705,607)	
Interest paid		(117,227)		(135,148)	
<b>Net cash outflow from operating activities</b>		<u>(21,736)</u>		<u>(840,755)</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(422,865)		(461,559)	
Proceeds on disposal of tangible fixed assets		42,000		-	
Proceeds from other investments and loans		53,177		(131,718)	
Interest received		10		-	
<b>Net cash used in investing activities</b>		<u>(327,678)</u>		<u>(593,277)</u>	
<b>Financing activities</b>					
Proceeds from hire purchase contracts		172,453		146,269	
Repayment of bank loans		(62,769)		(62,456)	
Capital element of hire purchase contracts		(114,759)		(74,646)	
Dividends paid		(59,400)		-	
<b>Net cash (used in)/generated from financing activities</b>		<u>(64,475)</u>		<u>9,167</u>	
<b>Net decrease in cash and cash equivalents</b>		<u>(413,889)</u>		<u>(1,424,865)</u>	
Cash and cash equivalents at beginning of year		(3,478,038)		(2,053,173)	
<b>Cash and cash equivalents at end of year</b>		<u><u>(3,891,927)</u></u>		<u><u>(3,478,038)</u></u>	
<b>Relating to:</b>					
Cash at bank and in hand		251,616		207,306	
Bank loans and overdrafts included in creditors payable within one year		<u>(4,143,543)</u>		<u>(3,685,344)</u>	

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 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 2017

---

### 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.

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 2017

---

### 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.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 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.

#### ***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.



# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### 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.

#### 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.

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover</b>		
Sale of motor fuel and domestic heating oil	103,897,709	85,097,294
	<u>                    </u>	<u>                    </u>
<b>Other significant revenue</b>		
Interest income	10	-
	<u>                    </u>	<u>                    </u>

### Turnover analysed by geographical market

	2017 £	2016 £
Northern Ireland	103,897,709	85,097,294
	<u>                    </u>	<u>                    </u>

### 4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(1,201)	(2,117)
Fees payable to the company's auditor for the audit of the company's financial statements	3,200	2,900
Depreciation of owned tangible fixed assets	280,529	254,773
Depreciation of tangible fixed assets held under hire purchase contracts	57,440	39,668
Profit on disposal of tangible fixed assets	(9,212)	-
Amortisation of intangible assets	21,667	21,667
Cost of stocks recognised as an expense	101,213,574	82,797,255
Operating lease charges	16,652	8,601
	<u>                    </u>	<u>                    </u>

### 5 Employees

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

	2017 Number	2016 Number
Directors	2	2
Administration	19	19
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2017	2016
		£	£
	Wages and salaries	558,612	609,832
	Social security costs	43,566	37,468
	Pension costs	3,037	1,100
		<u>605,215</u>	<u>648,400</u>
6	Directors' remuneration	2017	2016
		£	£
	Remuneration for qualifying services	24,880	174,880
	Company pension contributions to defined contribution schemes	1,150	1,100
		<u>26,030</u>	<u>175,980</u>
7	Interest receivable and similar income	2017	2016
		£	£
	<b>Interest income</b>		
	Interest on bank deposits	10	-
		<u>10</u>	<u>-</u>
8	Interest payable and similar expenses	2017	2016
		£	£
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	21,063	25,337
	Interest on finance leases and hire purchase contracts	9,301	6,806
	Other interest on financial liabilities	-	76
		<u>30,364</u>	<u>32,219</u>
	<b>Other finance costs:</b>		
	Other interest	86,863	102,929
		<u>117,227</u>	<u>135,148</u>
9	Taxation	2017	2016
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	16,596	-
		<u>16,596</u>	<u>-</u>

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Taxation (Continued)

**Deferred tax**

Origination and reversal of timing differences	6,824	10,823
	<u>6,824</u>	<u>10,823</u>
 Total tax charge	 23,420	 10,823
	<u>23,420</u>	<u>10,823</u>

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

	2017	2016
	£	£
Profit/(loss) before taxation	408,740	(107,985)
	<u>408,740</u>	<u>(107,985)</u>
 Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	81,748	(21,597)
Tax effect of expenses that are not deductible in determining taxable profit	743	177
Unutilised tax losses carried forward	(73,928)	18,579
Effect of change in corporation tax rate	(649)	-
Permanent capital allowances in excess of depreciation	4,349	(1,492)
Amortisation on assets not qualifying for tax allowances	4,333	4,333
Deferred tax adjustments in respect of prior years	6,824	10,823
	<u>81,748</u>	<u>(21,597)</u>
 Tax expense for the year	 23,420	 10,823
	<u>23,420</u>	<u>10,823</u>

### 10 Dividends

	2017	2016
	£	£
Interim paid	59,400	-
	<u>59,400</u>	<u>-</u>

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	325,000
<b>Amortisation and impairment</b>	
At 1 January 2017	138,529
Amortisation charged for the year	21,667
At 31 December 2017	160,196
<b>Carrying amount</b>	
At 31 December 2017	164,804
At 31 December 2016	186,471

### 12 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2017	2,351,273	1,798,403	1,589,879	5,739,555
Additions	-	121,223	301,642	422,865
Disposals	-	-	(170,360)	(170,360)
At 31 December 2017	2,351,273	1,919,626	1,721,161	5,992,060
<b>Depreciation and impairment</b>				
At 1 January 2017	139,946	822,795	991,604	1,954,345
Depreciation charged in the year	46,654	177,599	113,716	337,969
Eliminated in respect of disposals	-	-	(137,572)	(137,572)
At 31 December 2017	186,600	1,000,394	967,748	2,154,742
<b>Carrying amount</b>				
At 31 December 2017	2,164,673	919,232	753,413	3,837,318
At 31 December 2016	2,211,327	975,607	598,276	3,785,210

The carrying value of land and buildings comprises:

	2017 £	2016 £
Freehold	2,164,673	2,211,327

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 12 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.

	2017 £	2016 £
Motor vehicles	373,456	289,838
Depreciation charge for the year in respect of leased assets	57,440	39,668

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:

	2017 £	2016 £
Cost	1,784,845	1,784,845
Accumulated depreciation	369,357	333,660
Carrying value	1,415,488	1,451,185

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.

### 13 Stocks

	2017 £	2016 £
Finished goods and goods for resale	576,922	569,133

### 14 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	10,661,287	9,061,767
Other debtors	1,610,820	1,268,343
Prepayments and accrued income	113,739	147,633
	12,385,846	10,477,743

Included in trade debtors are balances totalling £9,597,032 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 £4,143,543.

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	4,223,407	3,773,160
Obligations under hire purchase contracts		98,797	71,737
Trade creditors		9,172,087	7,977,453
Corporation tax		16,596	-
Other taxation and social security		13,581	9,556
Other creditors		78,685	86,132
Accruals and deferred income		8,585	11,618
		<u>13,611,738</u>	<u>11,929,656</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.

### 16 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	482,999	537,816
Obligations under hire purchase contracts		118,604	87,970
		<u>601,603</u>	<u>625,786</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments		163,543	143,738
		<u>163,543</u>	<u>143,738</u>

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Loans and overdrafts

	2017 £	2016 £
Bank loans	562,863	625,632
Bank loans and overdrafts	4,143,543	3,685,344
	<u>4,706,406</u>	<u>4,310,976</u>
Payable within one year	4,223,407	3,773,160
Payable after one year	482,999	537,816
	<u>4,706,406</u>	<u>4,310,976</u>

### 18 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	19	227,276	220,452
		<u>227,276</u>	<u>220,452</u>

### 19 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 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	227,276	220,452
	<u>227,276</u>	<u>220,452</u>
<b>Movements in the year:</b>		2017 £
Liability at 1 January 2017		220,452
Charge to profit or loss		6,824
Liability at 31 December 2017		<u>227,276</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.



# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 20 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	3,037	1,100

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.

### 21 Share capital

	2017	2016
	£	£
Ordinary share capital Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 22 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:

	2017	2016
	£	£
Within one year	6,347	1,976
Between two and five years	7,405	-
	<u>13,752</u>	<u>1,976</u>

### 23 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Andrew Hutchinson	17,680	167,680

During the year ended 31 December 2016, the Company agreed to accept the novation of a financial contract from employee Andrew Hutchinson 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.

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 23 Related party transactions

(Continued)

#### Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Entities over which the company has control, joint control or significant influence:				
Tanksafe Solutions Ltd	4,816	3,965	20,264	17,105
Solo Direct Ltd	-	30,000	10,000	10,000
	<u>4,816</u>	<u>33,965</u>	<u>30,264</u>	<u>27,105</u>

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2017	2016
	£	£
Entities over which the company has control, joint control or significant influence:		
Tanksafe Solutions Ltd	8,402	20,570
	<u>8,402</u>	<u>20,570</u>

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2017 Balance £
<b>Amounts owed by related parties</b>	
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	804,257
Kosy Coal Ltd	39,375
Solo Power (NI) Ltd	38,682
Tanksafe Solutions Ltd	5,654
	<u>1,326,118</u>
	<u>2016</u>
	<u>Balance</u>
	<u>£</u>
<b>Amounts owed in previous period</b>	
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
	<u>1,010,884</u>

### 24 Directors' transactions

Dividends totalling £59,400 (2016 - £0) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Loan to directors	-	131,719	(53,179)	78,540
		<u>131,719</u>	<u>(53,179)</u>	<u>78,540</u>

### 25 Controlling party

The ultimate controlling party is Mr and Mrs Andrew Hutchinson.

# A H FUEL OILS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

---

26 Cash generated from operations	2017	2016
	£	£
(Loss)/profit for the year after tax	385,320	(118,808)
<b>Adjustments for:</b>		
Taxation charged	23,420	10,823
Finance costs	117,227	135,148
Investment income	(10)	-
Gain on disposal of tangible fixed assets	(9,212)	-
Amortisation and impairment of intangible assets	21,667	21,667
Depreciation and impairment of tangible fixed assets	337,969	294,441
<b>Movements in working capital:</b>		
(Increase) in stocks	(7,789)	(50,000)
(Increase) in debtors	(1,961,280)	(2,352,952)
Increase in creditors	1,188,179	1,354,074
<b>Cash generated from/(absorbed by) operations</b>	<u>95,491</u>	<u>(705,607)</u>