

Diamond Fuel Supplies Limited

Report of the Directors and Financial Statements

For the Year Ended

31 August 2014

**DSA Prospect Audit Ltd
Chartered Certified Accountants
The Old Chapel
Union Way
Witney
Oxon
OX28 6HD**

SATURDAY



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COMPANIES HOUSE**

Company Registration Number: 01476154

Diamond Fuel Supplies Limited
Report of the Directors and Financial Statements
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Diamond Fuel Supplies Limited Company Information

Directors

J P Bagnall
D C Bagnall
P R Bagnall
J R E Bagnall

Auditors

DSA Prospect Audit Ltd
The Old Chapel
Union Way
Witney
Oxon
OX28 6HD

Registered office

The Freight Terminal
Bicester Road
Chipping Norton
Oxfordshire
OX7 4NP

Registered number

01476154

Diamond Fuel Supplies Limited
Strategic Report
For the Year Ended 31 August 2014

The directors present their strategic report for the year ended 31 August 2014.

Principal activities

The company's principal activity during the year continued to be the sale of fuel products.

Results

The profit for the year, after taxation, is £144,848 (2013: £20,532 loss).

Business review

The key financial and other performance indicators during the year were as follows:

	2014	2013	Change
	£	£	
Turnover	7,979,814	8,927,269	-11%
Operating profit	220,085	41,517	430%
Profit/(loss) after tax	144,848	(20,532)	
Equity shareholders' funds	1,904,377	1,759,529	8%
Current assets as % of current liabilities	148%	136%	9%
Number of employees at the year end	3	5	-40%

Given an acknowledged and expected difficult trading period, the directors are pleased with the results of the group and consider the consolidated position to be a strong foundation on which to build in the coming years.

The application of strategic planning in terms of purchasing and solidification of the company's supply terms has ensured that gross margins have increased to the levels desired by the directors in an otherwise challenging year.

The reduction in turnover was chiefly down to a key consumer's loss of a significant charcoal supply contract to competition from Eastern Europe during the period which adversely affected the supply requirement from the company. On this basis the profit-making performance of the group is particularly positive from the directors' perspective.

The directors are pleased to announce that in recent months a significant element of the lost contract has been re-awarded to the customer which should in turn restore supply levels and therefore boost turnover to levels previously achieved.

Diamond Fuel Supplies Limited
Strategic Report
For the Year Ended 31 August 2014

Principal risk and uncertainties

As with many businesses, the company is exposed to macroeconomic factors of an uncertain nature such as changes in inflation, corporate and consumer spending patterns and levels of disposable income.

This report was approved by the board on 12/05/15 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'J P Bagnall', written in a cursive style.

J P Bagnall
Director

Diamond Fuel Supplies Limited
Directors' Report
For the Year Ended 31 August 2014

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

Dividends

No dividends were paid in the period (2013: £nil).

Financial risk management

Price Risk: the group is somewhat exposed to commodity price risk given its role as both a supplier and consumer in the global resource market. The directors have vast experience and take an active role in monitoring relevant global resource prices and strategically plan purchases and therefore set sales prices taking into account expected and observed fluctuations. The group also takes advantage of forward pricing agreements such that purchase prices are set and anticipated in advance of their transaction.

Credit Risk: where credit is offered the group employ an external credit checking agency to perform thorough due diligence to minimise the threat of credit risk.

Interest Rate Risk: the group takes advantage of a number of financing arrangements as a result of a healthy and constructive working relationship with its bank. Interest terms are agreed in advance on a contractual basis and care is taken to ensure that those agreements limit the group's exposure to acknowledged interest rate risk as far as possible.

Market Risk: the group operates in a competitive and dynamic industry in which demand is high and margins are gradually reducing due to the emergence of 'discounter' consumers. The company considers itself well-placed in understanding its market and its performance obligations to both develop and succeed within it.

Directors

The following persons served as directors during the year:

J P Bagnall
D C Bagnall
P R Bagnall
J R E Bagnall

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Diamond Fuel Supplies Limited
Directors' Report
For the Year Ended 31 August 2014

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and DSA Prospect Audit Ltd will therefore continue in office.

This report was approved by the board on 12/05/15 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'J P Bagnall', written over a horizontal line.

J P Bagnall
Director

Diamond Fuel Supplies Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and 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 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 accounts;
- 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.

Diamond Fuel Supplies Limited
Independent auditors' report
to the shareholder of Diamond Fuel Supplies Limited

We have audited the financial statements of Diamond Fuel Supplies Limited for the period ended 31 August 2014 which comprise:

- the balance sheet as at 31 August 2014,
- the profit and loss account for the period then ended,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit opinion

A description of the scope of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the 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 August 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Diamond Fuel Supplies Limited
Independent auditors' report
to the shareholder of Diamond Fuel Supplies Limited

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Alec Charles Pridsam FCCA
(Senior Statutory Auditor)
for and on behalf of
DSA Prospect Audit Ltd
Accountants and Statutory Auditors
13-5-2015

The Old Chapel
Witney
Oxon
OX28 6HD

Diamond Fuel Supplies Limited
Profit and Loss Account
for the year ended 31 August 2014

	Notes	2014 £	2013 £
Turnover	2	7,979,814	8,927,269
Cost of sales		(7,539,505)	(8,727,762)
Gross profit		<u>440,309</u>	<u>199,507</u>
Administrative expenses		(220,224)	(157,990)
Operating profit	3	<u>220,085</u>	<u>41,517</u>
Interest receivable		28	51
Interest payable	7	(40,864)	(62,092)
Profit/(loss) on ordinary activities before taxation		<u>179,249</u>	<u>(20,524)</u>
Tax on profit/(loss) on ordinary activities	8	(34,401)	(8)
Profit/(loss) for the financial year		<u><u>144,848</u></u>	<u><u>(20,532)</u></u>

Diamond Fuel Supplies Limited
Balance Sheet
as at 31 August 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	9	-	294,500
Current assets			
Debtors	10	5,822,118	4,994,391
Cash at bank and in hand		<u>11,757</u>	<u>581,634</u>
		5,833,875	5,576,025
Creditors: amounts falling due within one year	11	(3,929,498)	(4,110,996)
Net current assets		<u>1,904,377</u>	<u>1,465,029</u>
Total assets less current liabilities		<u>1,904,377</u>	<u>1,759,529</u>
Net assets		<u>1,904,377</u>	<u>1,759,529</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account	14	1,903,377	1,758,529
Shareholder's funds		<u>1,904,377</u>	<u>1,759,529</u>

Signed on behalf of the directors:

J P Bagnall
Director

Approved by the board on

Registered Number: 01476154

12/05/15

Diamond Fuel Supplies Limited
Notes to the financial statements
for the year ended 31 August 2014

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. There were no material departures from those standards.

Cash flow statement and related party transactions

The company is a wholly-owned subsidiary of Bagnalls Group (UK) Limited and is included in the consolidated financial statements of Bagnalls Group (UK) Limited. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bagnalls Group (UK) Limited group.

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 Turnover

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2014	2013
	£	£
This is stated after charging:		
Directors' remuneration	9,800	16,800
Auditors' remuneration	6,633	6,000

Diamond Fuel Supplies Limited
Notes to the financial statements
for the year ended 31 August 2014

4 Auditors' remuneration	2014	2013
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>6,633</u>	<u>6,000</u>
5 Directors' remuneration	2014	2013
	£	£
The remuneration of the directors was as follows:		
Qualifying services	<u>9,800</u>	<u>16,800</u>
6 Staff costs	2014	2013
	£	£
Average number of persons employed by the company, including directors, during the year:		
Operations	2	4
Administration	<u>1</u>	<u>1</u>
	<u>3</u>	<u>5</u>
Staff costs incurred during the period in respect of these employees were:		
Wages and salaries	9,800	16,800
Social security costs	<u>1,256</u>	<u>1,285</u>
	<u>11,056</u>	<u>18,085</u>
7 Interest payable	2014	2013
	£	£
Bank loans and overdrafts	<u>40,864</u>	<u>62,092</u>

Diamond Fuel Supplies Limited
Notes to the financial statements
for the year ended 31 August 2014

8 Taxation	2014	2013
	£	£
UK corporation tax	<u>34,401</u>	<u>8</u>
Reconciliation of current tax charge		
Profit/(loss) on ordinary activities before taxation	<u>179,249</u>	<u>(20,525)</u>
Standard rate of corporation tax in the UK	22.162%	20%
Profit on ordinary activities multiplied by the standard rate of corporation tax	39,725	(4,105)
Marginal relief	(764)	-
Capital allowances for the period in excess of depreciation	(5)	(5)
Adjustment to prior period	(445)	8
Tax losses not utilised	-	4,110
Tax losses utilised	<u>(4,110)</u>	<u>-</u>
	<u>34,401</u>	<u>8</u>

9 Investments

	Investments in subsidiary undertakings
	£
Cost	
At 1 September 2013	294,500
Disposals	(294,500)
At 31 August 2014	<u>-</u>

On 2 September 2013 the company disposed of its investment in Carbo (UK) Limited to its parent company, Bagnalls Group (UK) Limited, for consideration of £294,500.

10 Debtors	2014	2013
	£	£
Trade debtors	48,717	14,335
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,795,361	4,862,477
Other debtors	<u>978,040</u>	<u>117,579</u>
	<u>5,822,118</u>	<u>4,994,391</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Diamond Fuel Supplies Limited
Notes to the financial statements
for the year ended 31 August 2014

11 Creditors: amounts falling due within one year	2014	2013
	£	£
Bank loans and overdrafts	2,905,995	2,289,656
Trade creditors	586,375	640,735
Amounts owed to group undertakings and undertakings in which the company has a participating interest	111,026	20,925
Corporation tax	34,401	-
Other taxes and social security costs	242,238	1,129,757
Accruals and deferred income	28,538	29,205
Other creditors	20,925	718
	<u>3,929,498</u>	<u>4,110,996</u>

12 Loans	2014	2013
	£	£
Creditors include:		
Secured loans	<u>2,905,995</u>	<u>2,289,656</u>

13 Share capital	2014	2013
	£	£
Allotted, called up and fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14 Combined reconciliation of shareholder's funds and movements on reserves

	Share capital	Profit and loss account	Total
	£	£	£
At 1 September 2013	1,000	1,758,529	1,759,529
Profit for the year	-	144,848	144,848
At 31 August 2014	<u>1,000</u>	<u>1,903,377</u>	<u>1,904,377</u>

Diamond Fuel Supplies Limited
Notes to the financial statements
for the year ended 31 August 2014

15 Related party transactions

Diamond Fuel Supplies Limited is a wholly-owned subsidiary of Bagnalls Group (UK) Limited and is therefore taking advantage of the exemption from disclosing details of the related party transactions that would otherwise be required by FRS 8.

The group accounts are publicly available for review at The Freight Terminal, Bicester Road, Chipping Norton, Oxfordshire, OX7 4NP.

At the year end the company owed £20,925 (2013: £20,925) to Natural Slate Supplies Limited, a company also under the directorship of J P Bagnall which is included in other creditors.

During the year the company made sales of £12,404 (2013: £15,829) on an arm's length basis to Bagnalls Property Partnership, a partnership in which J P Bagnall, D C Bagnall and P R Bagnall are partners. At the year end the company was owed £47,093 (2013: £22,414) by Bagnalls Property Partnership in respect of these sales which is included in trade debtors. The company also made a loan of £43,296 (2013: £nil) to Bagnalls Property Partnership which is included in other debtors.

16 Parent company

The ultimate parent company is Bagnalls Group (UK) by virtue of its 100% interest in the issued ordinary share capital of the company. Bagnalls Group (UK) Limited is incorporated in England and Wales.