

Highland Fuels Holdings Limited

Report and Financial Statements

For the year ended 31 December 2016

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Highland Fuels Holdings Limited

Company Information

Directors	G G M Shand I M Cruden K A Matheson
Company secretary	Burness Paull LLP
Registered number	SC215790
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Independent auditors	Ernst & Young LLP Blenheim House Fountainhall Road Aberdeen AB15 4DT
Bankers	Royal Bank of Scotland 29 Harbour Road Inverness IV1 1NU
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

Highland Fuels Holdings Limited

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Highland Fuels Holdings Limited

**Strategic Report
For the Year Ended 31 December 2016**

Introduction

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

Business review

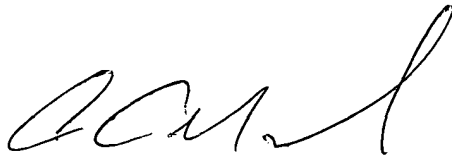
The company is an intermediary holding company for the subsidiaries listed on page 12.

Principal risks and uncertainties

As a holding company, the company's principal risk is the impairment of its investments.

This report was approved by the board on 12 June 2017 and signed on its behalf.

G G M Shand
Director



Highland Fuels Holdings Limited

**Directors' Report
For the Year Ended 31 December 2016**

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

Results and dividends

The profit for the year, after taxation, amounted to £697,819 (2015 -£652,794).

During the year the company declared and paid a dividend of £697,819 (2015 - £652,794).

Directors

The directors who served during the year were:

G G M Shand
I M Cruden
K A Matheson

Future developments

The company will continue as an intermediary holding company.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 12 June 2017 and signed on its behalf.

G G M Shand
Director



Highland Fuels Holdings Limited

**Directors' Responsibilities Statement
For the Year Ended 31 December 2016**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 judgments 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.

Independent auditors' report to the members of Highland Fuels Holdings Limited

We have audited the financial statements of Highland Fuels Holdings Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10. 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 Financial Reporting Standard 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 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 Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statement

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 Report and financial statements 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of Highland Fuels Holdings Limited

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in 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.

Ernst & Young LLP

Jamie Dixon (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Aberdeen

12 June 2017

Highland Fuels Holdings Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Income from fixed assets investments		697,819	652,794
Profit before tax		<u>697,819</u>	<u>652,794</u>
Tax on profit		-	-
Profit for the year		<u>697,819</u>	<u>652,794</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>697,819</u>	<u>652,794</u>


Highland Fuels Holdings Limited
Registered number: SC215790

Balance Sheet
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	4	3,556,700	3,556,700
		<u>3,556,700</u>	<u>3,556,700</u>
Current assets			
Creditors: amounts falling due within one year	5	(2,752,825)	(2,752,825)
		<u>(2,752,825)</u>	<u>(2,752,825)</u>
Net current assets		<u>(2,752,825)</u>	<u>(2,752,825)</u>
Total assets less current liabilities		<u>803,875</u>	<u>803,875</u>
Net assets		<u><u>803,875</u></u>	<u><u>803,875</u></u>
Capital and reserves			
Called up share capital	7	100,000	100,000
Share premium account	8	146,715	146,715
Capital redemption reserve	8	553,284	553,284
Profit and loss account	8	3,876	3,876
		<u>803,875</u>	<u>803,875</u>
		<u><u>803,875</u></u>	<u><u>803,875</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 June 2017.

G G M Shand
 Director



The notes on pages 10 to 13 form part of these financial statements.

Highland Fuels Holdings Limited

**Statement of Changes in Equity
As at 31 December 2016**

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2016	100,000	146,715	553,284	3,876	803,875
Comprehensive income for the year					
Profit for the year	-	-	-	697,819	697,819
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(697,819)	(697,819)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>100,000</u>	<u>146,715</u>	<u>553,284</u>	<u>3,876</u>	<u>803,875</u>

Highland Fuels Holdings Limited

**Statement of Changes in Equity
As at 31 December 2015**

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2015	100,000	146,715	553,284	3,876	803,875
Comprehensive income for the year					
Profit for the year	-	-	-	652,794	652,794
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(652,794)	(652,794)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	100,000	146,715	553,284	3,876	803,875
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 13 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

1. Accounting policies

1.1 Statement of compliance and basis of preparation

Highland Fuels Holdings Limited is a limited liability company incorporated in Scotland. The registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

The financial statements have been prepared in compliance with Financial Reporting Standard 102, as it applies to the financial statements of the Company for the year ended 31 December 2016. The financial statements are prepared in sterling which is the functional currency of the company.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amount reported for revenues and expenses during the year.

There were no judgements or material estimation uncertainties affecting the reported financial performance in the current or prior year.

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Highland Fuels (Investments) Limited as at 31 December 2016 and these financial statements may be obtained from 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Highland Fuels Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

1. Accounting policies (continued)**1.5 Creditors**

Short term creditors are measured at the transaction price.

1.6 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Auditors' remuneration

The audit fee for the period was incurred by Highland Fuels Limited, a subsidiary of the company.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 -£NIL).

Highland Fuels Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

4. Fixed asset investments

				Investments in subsidiary companies £
Cost or valuation				
At 1 January 2016				3,556,700
At 31 December 2016				<u>3,556,700</u>
At 31 December 2015				<u>3,556,700</u>
Subsidiary undertakings				
Name	Class of Shares	Holding	Business	
Highland Fuels Limited	Ordinary	100%	Fuels distributor	
Aberdeen Oils Limited	Ordinary	100%	Fuels distributor	
Wilson Fuels Limited	Ordinary	100%	Dormant	
Thames Petroleum (Scotland) Limited	Ordinary	100%	Property rental	
Thames Gold Holdings Limited	Ordinary	100%	Holding company	
Gold Filling Stations Limited	Ordinary	100%	Non trading	
Lunargem Limited	Ordinary	100%	Non trading	
SCM Property Holdings Limited	Ordinary	100%	Holding company	
SCM Affric Limited	Ordinary	100%	Property rental	
SCM Scapa Limited	Ordinary	100%	Dormant	
SCM Mills Limited	Ordinary	100%	Dormant	
SCM County Limited	Ordinary	100%	Dormant	
SCM Huntly Limited	Ordinary	100%	Dormant	
SCM Campbeltown Limited	Ordinary	100%	Dormant	
SCM Kilwinning Limited	Ordinary	100%	Dormant	
SCM Toll Limited	Ordinary	100%	Dormant	
SCM Ardrossan Limited	Ordinary	100%	Dormant	
SCM Ravenspark Limited	Ordinary	100%	Dormant	
SCM Loans Limited	Ordinary	100%	Dormant	
SCM Kilbirnie Limited	Ordinary	100%	Dormant	
SCM Sheiling Limited	Ordinary	100%	Dormant	
SCM Darnley Mill Limited	Ordinary	100%	Dormant	
SCM Riverside Limited	Ordinary	100%	Dormant	
SCM Bobbin Limited	Ordinary	100%	Dormant	
SCM Sandybrae Limited	Ordinary	100%	Dormant	
SCM Pier Limited	Ordinary	100%	Dormant	
SCM Auchenharvie Limited	Ordinary	100%	Dormant	
SCM Riggend Limited	Ordinary	100%	Dormant	

Highland Fuels Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

5. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>2,752,825</u>	<u>2,752,825</u>

6. Secured debts

The company has granted a bond and floating charge in favour of The Royal Bank of Scotland plc over all of the assets of the company.

7. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100,000 Ordinary Shares shares of £1 each	<u>100,000</u>	<u>100,000</u>

8. Reserves**Share premium**

This reserve records the amount above the nominal value for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

9. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>697,819</u>	<u>652,794</u>

10. Controlling party

The company's immediate and ultimate parent undertaking and controlling party is Highland Fuels (Investments) Limited, a company registered in Scotland.

Highland Fuels (Investments) Limited is the parent undertaking of the smallest and largest groups of which Highland Fuels (Holdings) Limited is a member and for which group financial statements are drawn up.