



Verification Report – UK Producer
Case AD0059: Certain Engine Oils and Hydraulic Fluids from Lithuania and the United Arab Emirates

Period of Investigation (POI):	1 April 2023 – 31 March 2024
Injury Period:	1 April 2020 – 31 March 2024
Date of report:	1 May 2025
Case team contact details:	AD0059@traderemedies.gov.uk
Interested party verified:	Aztec Oils Limited

For further details, please see the [Notice of initiation](#) on the public file.



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Executive Summary

The Trade Remedies Authority (TRA) is conducting an anti-dumping investigation to determine whether injury is being caused to the United Kingdom (UK) due to dumping of Certain Engine Oils and Hydraulic Fluids imported into the UK from Lithuania and the United Arab Emirates.

More information about the case can be found on the public file:

[Certain Engine Oils and Hydraulic Fluids from Lithuania and the United Arab Emirates - Trade Remedies Service - GOV.UK](#)

Aztec Oils Ltd (Aztec Oils) a domestic producer of like goods, returned a domestic producer questionnaire and annex (questionnaire response). Following TRA's analysis of the initial submission, further work was undertaken by Aztec Oils to complete the dataset requested by the TRA in order to inform the investigation. This included changes to sales data, manufacturing overheads, administrative, sales and general cost allocations, and injury and investments information.

Aztec Oils is a medium-sized domestic producer, which blends and distributes lubricant products, including engine oils and hydraulic fluids.

The TRA sought to verify the completeness, relevance and accuracy of the information submitted and also requested additional information and supporting evidence and calculations to corroborate additions and amendments made to the annex data received:

- We conducted a walkthrough of Aztec Oil's accounting system to gain an understanding of the accounting function and systems and controls. This allowed us to assess the level of reliance that can be placed on the data provided by them to inform case decisions.
- We conducted an on-site verification exercise to evaluate the completeness, relevance and accuracy of information provided in the questionnaire response.



- We conducted a site visit of Aztec's manufacturing premises to gain an appreciation of its production facilities and processes.
- We checked information provided in the questionnaire response regarding general company set-up and associations, to information on the company's website, audited financial statements and company secretarial records including Companies House for consistency. We also discussed any proposed ownership or restructuring plans with management.
- We conducted testing of Product Control Numbers (PCNs) due to the complexity of the PCN structure to ensure accuracy and consistency of the application and mapping of the PCN parameters to internal product codes.
- We reconciled questionnaire responses with information held in Aztec Oils accounting system and financial statements, to consider the completeness, relevance and accuracy of the submission.

Based on the verification activity undertaken on the company's initial submission and supplementary evidence, the TRA has a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by Aztec Oils and we can use it for the purpose of this investigation.

Purpose of verification

The purpose of the TRA's verification activity is to determine whether the information provided by interested parties is complete, relevant, and accurate and can be used to inform our investigation. This report sets out the conclusions reached for each component part of the verification work undertaken by TRA. It also provides an overall conclusion stating the level of assurance reached.

Verified information may then be considered in our assessments and analysis to determine whether dumping has occurred and if this has caused injury to UK industry. This will form the basis for establishing appropriate measures, where necessary, and to assess whether these would be in the UK's economic interest.



We carried out verification activities both remotely and on-site. The TRA did not seek to verify all information provided, but undertook the work considered appropriate and possible within the time constraints of the investigation to obtain assurance upon which to base our case decision.

This verification report documents the work completed, providing an overview of the range and scope of verification procedures performed on the information submitted by Aztec Oils. It details the conclusions reached regarding completeness, relevance and accuracy, and provides an overall conclusion stating the level of assurance reached.

Confidential information

Aztec Oils must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the verification report is considered confidential, Aztec Oils should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



Verification

Please find below a summary of work completed by the TRA to determine whether the information provided by Aztec Oils in its questionnaire response is complete, relevant, and accurate.

A. Company structure and associations

What information was considered

We considered the following from the questionnaire:

- Company details including date of incorporation, company addresses etc.
- General company structure, ownership and management
- Associations with other companies
- Accounting practices and policies

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Company details

We cross-checked information submitted by Aztec Oils on its year of establishment, company address, reliability of financial statements and other factors by examining official documents published on Companies House and information hosted on Aztec Oils' corporate website.

General company structure, ownership, and management

We reviewed the audited financial statements for the year ended 31st March 2024. We confirmed directors and ownership from submitted information to audited financial statements and information published on Companies House.

Associations with other companies



Declared associated companies were compared with Aztec Oil’s audited financial statements for the year ending 31st March 2024. We reviewed Aztec Oil’s associated cost and sales transactions and identified that these were correctly categorised between independent and related parties. We have not identified any other undeclared associated parties.

Accounting practices and policies

The financial statements for Aztec Oils are prepared in accordance with United Kingdom Generally Accepted Accounting Practices (UK GAAP). The independent auditor gave an unqualified opinion on the financial statements for the year ended 31 March 2024.

We found that the information from audited financial statements, Companies House and Aztec Oil’s website aligns with information provided in its questionnaire response.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

None.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

Based on the information provided by Aztec Oils and the analysis work undertaken, we have obtained a reasonable level of assurance that the information relating to company associations and accounting practices and policies can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



B. Accounting Systems and Procedures

What information was considered

- Accounting systems
- Accounting policies
- Sales / customer order process and procedures
- Purchase / supplier order process and procedures
- Data manipulation methods used when completing the annex

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

We conducted a walkthrough of the company's accounting applications to gain an understanding of the system and to assess the level of reliance to place on the data extracted.

Accounting systems

Aztec Oils demonstrated the use of [Redacted: Details of company accounting system(s)] the main accounting software. This is supported by [Redacted: Details of company accounting system(s)]. We were able to follow how the accounting systems are used by Aztec Oils.

Accounting policies

We reviewed audited financial statements for the year ended March 2024 and found the company accounts were prepared under UK GAAP, Companies Act 2006 and FRS 102. We also reviewed the accounting policy notes. We found no high-risk or high complexity areas which needed responding to via the design of additional verification procedures.

Sales / customer and purchase / supplier process and procedures

We conducted a 'walk-through' test for a sale and purchase transaction in order to document Aztec Oils' accounting procedures. We also obtained explanations concerning



the personnel involved in decision-making and approvals. This was achieved by selecting a random transaction of each class to trace through the accounting system from initiation (order) to fulfilment (production and/or delivery) and completion (general ledger activity, bank settlement). To supplement this, Aztec Oils provided associated evidence of the approval processes for the selected transactions. We were also able to trace the sampled transactions to source documentation as requested.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

None.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

Based on the work performed, we have obtained a basic understanding of the relevant accounting and associated business systems of Aztec Oils. This enabled us to understand the processes involved and to plan appropriate verification procedures.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



C. Goods

What information was considered

- Internal product coding system
- Goods description and like goods assigned to Product Control Numbers (PCNs).
- Top PCNs by sales volume

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Internal coding system

During the walkthrough, we were satisfied Aztec Oils demonstrated its internal coding system and explained how it used it to relate its own product categories to the PCN table used for the investigation.

Goods description and like goods assigned to PCNs

- We reviewed the description of goods provided in the questionnaire response against the allocated PCNs to check if goods in-scope were declared correctly.
- We reviewed a sample of sales documentation to evaluate the accuracy of product code classifications and their compatibility with PCNs.
- We reviewed goods listed as 'other company products' to determine if they were products outside the scope of the investigation.

[Redacted: Details of PCN selection methodology]

Due to the complexity of the PCN table used in the investigation, we conducted testing during verification by [Redacted: Details of PCN selection], to establish if there had been any inaccuracies concerning the mapping of internal product codes to the PCNs. We reviewed extracts from internal product catalogues and product specification sheets and discussed with technical management about any ambiguities. We are satisfied that the products tested are in-scope and have been assigned PCNs that were not inaccurate based on their underlying chemical composition and other relevant specifications.



Plant and machinery

We conducted a physical inspection of the blending facilities to gain an understanding of the production processes and to check that goods declared were consistent with its production plant and machinery. Our findings indicate that the commercial activities of Aztec Oils relate to the production of blended lubricant products.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

None.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

Based on the work performed, we have a reasonable level of assurance that the information relating to the classification of goods and associated PCNs can be treated as complete, relevant and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



D. Costs

What information was considered

- Direct and indirect cost components
- Sample of raw material purchases
- Manufacturing overheads
- Administration, selling and general (AS&G) costs

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Completeness of costs

We compared data presented by Aztec Oils in its questionnaire annex response with what is reported in the company's published financial statements. We were able to reconcile the cost of goods sold figure provided in the questionnaire response to the published financial statements.

During on site verification

- We reviewed the master data extract used to populate the questionnaire annex. We were able to reconcile the total cost of production for all goods and like goods from the master extract to the data provided in the questionnaire response.
- Aztec Oils demonstrated how it attributes raw materials costs to PCNs. The methodology used to allocate raw materials costs is considered reasonable, as it uses in-scope sales and pulls in the direct costs attached to these [Redacted: Details of accounting system(s)]. This was tested further by comparing [Redacted: Details of accounting system(s)] for consistency.

Accuracy and relevance of costs

We checked the accuracy and relevance of the cost transactions listed in the questionnaire response, by sampling the data provided and corroborating the transactional-level data with the company's financial records. Prior to our verification visit,



we requested, and were provided with, source documentation for a sample of cost transactions that we had identified.

During on-site verification:

- We matched sampled transaction information to source documents such as purchase orders, invoices, and payment confirmation documentation. Further evidence was requested for four purchases. Aztec Oils supplied additional documentation and we were satisfied that the source documentation and other evidence and explanations matched the questionnaire data submitted.
- Our analysis identified some purchases which occurred outside of the POI. The value of these transactions was not material, but it was agreed with Aztec Oils that these should be removed from the submitted data set, and a revised version of the questionnaire annex be submitted for use in the investigation.
- We traced total manufacturing overheads and AS&G costs to the trial balance provided by Aztec Oils.
- We requested that Aztec Oils re-submit the questionnaire annex to include previously omitted detail concerning manufacturing overheads and AS&G costs. These data would need to be underpinned by a reasonable methodology for allocating these costs between in scope and out-of-scope goods. It was agreed that a ratio based on like goods' value/volume (both percentages being identical for the POI) is appropriate.

After on-site verification

- Aztec Oils submitted a revised version of the questionnaire. We reviewed and tested the methodology used to allocate manufacturing overheads and AS&G costs to in-scope goods and consider it to be reasonable and applied accurately.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

None.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

Based on the work performed in our analysis of transactional cost data, including our review of the re-submitted, amended questionnaire annex, we have a reasonable level of assurance that the information relating to cost data can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



E. Sales

What information was considered

- Sample of relevant sales transactions
- Price reductions
- Sales reconciliations
- Domestic freight cost

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Completeness of sales

We compared sales data presented in the questionnaire response with what is reported in Aztec Oils' published financial statements. We were able to reconcile the sales of all goods during the POI to audited financial statements obtained from Companies House without any issues identified.

We were also able to reconcile the sales of all goods provided in the questionnaire submission to the trial balance provided by Aztec Oils. Aztec Oils demonstrated how the data was extracted from the accounting systems, and we are satisfied there are no potential omissions concerning the split between like goods and goods outside the scope of review, as these data are driven by distinct commodity codes which group internal product codes together.

Accuracy and relevance of sales

We requested source documents relating to a sample of sales transactions involving the like goods during the POI. Some variances were identified between the purchase orders and the invoices. These differences are typical due to the method of filling tankers, where immaterial differences in the volume filled are common owing to product temperature sensitivities between weight and volume. These differences were not considered material.



We discovered rebates which were not recorded in the questionnaire submission, these rebates were not material and do not need further action. No other price reductions were identified.

We identified errors in how the domestic freight costs within the sale of the like goods were recorded in the questionnaire submission. Aztec Oils provided an updated questionnaire submission, we reviewed the method used to allocate domestic freight to the like goods and we are satisfied that the method is reasonable.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

None.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

Based on the work performed in the analysis of sales transactional data, we have a reasonable level of assurance that the information relating to sales data can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



F. Injury

What information was considered

- Total turnover related to all goods
- Proportion of turnover related to like goods compared to the turnover of all goods
- Profitability for all goods and like goods
- Production output for the like goods
- Return on investment
- The utilisation of capacity for the like goods
- Cash flow for all goods
- Inventory of the like goods
- Employment, median wage, and productivity

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Total turnover related to all goods

We were able to reconcile the turnover for the whole company recorded in the questionnaire submission to audited financial statements obtained from Companies House. We were able to complete this for all injury years and the POI; no variances were found.

Proportion of turnover related to like goods compared to the turnover of all goods

We calculated the proportion of turnover related to like goods compared to the turnover of all goods; this was consistent over the injury years and POI.

Profitability for all goods and like goods

We compared the profit recorded for all goods in the questionnaire submission to profit from the audited financial statements. Variances were identified but these are not material. The methodology used to calculate profit for like goods was reviewed and we are satisfied with it.



Production output for the like goods

Output for like goods matches the figures used for turnover for all injury years and the POI. These have been reviewed for accuracy and we are satisfied with the method used.

Return on investments

Return on investments was not completed by Aztec Oils prior to onsite verification. Post-verification, Aztec Oils provided a revised questionnaire submission. We requested extracts from the fixed asset register as further evidence to corroborate the calculation.

The utilisation of capacity for the like goods

During on site verification, it was identified that the methodology used in capacity utilisation was incorrect. Aztec Oils subsequently provided an updated questionnaire submission. We reviewed this and are satisfied that the updated methodology used is appropriate.

Cash flow for all goods

During verification it was identified that the methodology used for cash flow was incorrect. Aztec Oils subsequently resubmitted an updated questionnaire submission. We reviewed this and are satisfied that the updated methodology used is appropriate.

Inventory of the like goods

Aztec Oils demonstrated how the inventories of like goods were calculated. The figures were compared to the audited financial statements obtained from Companies House. Variances were identified but these were immaterial in nature. We are satisfied with the methodology used.

Employment, median wage, and productivity for the like goods

Full time employees were reconciled to audited financial statements obtained from Companies House. Aztec Oils demonstrated the median wage submitted in the questionnaire related only to production staff. We requested redacted pay slips and were able to confirm median wages relate to production staff. Aztec Oils demonstrated how



productivity for like goods was calculated. We requested further evidence and Aztec Oils provided redundancy letters and other internal documentation. We are satisfied with the methodologies used.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

None.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

Based on the work performed, we have a reasonable level of assurance that the information provided by Aztec Oils in relation to injury factors, can be treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



G. Economic Interest Test

What information was considered
<ul style="list-style-type: none"> • Suppliers and customers • Employment figures
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
How the information was checked
<p>Suppliers and customers</p> <p>The verification procedures for purchases and sales are referred to above in Section D – Costs and Section E – Sales. As part of these procedures, relevant suppliers and customers have been identified and verified with no issues identified.</p> <p>Employment figures</p> <p>The verification of employment figures has been referred to in Section F – Injury, Aztec Oils demonstrated full time employee numbers have been obtained from audited financial statements and we were able to corroborate these data with internal documentation and redacted payroll reports, payslips and similar.</p> <p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
Exceptions/Findings/Adjustments
<p>None.</p> <p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
Conclusions
<p>Based on the work performed, we have a reasonable level of assurance that the information provided by Aztec Oils in relation to economic interest test factors, can be</p>



treated as complete, relevant, and accurate and can therefore be used by the TRA for dumping and injury assessments and for any other purpose within the investigation.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

We checked company details, product information and ownership information provided by Aztec Oils by comparing it with published, audited financial statements from Companies House, and the company website. We reviewed PCN allocations and in-scope goods for accuracy and consistency.

During onsite verification, Aztec Oils demonstrated how costs and sales data had been extracted and prepared in the questionnaire response from its accounting systems for both costs and sales. A sample of costs and sales transactions were traced back to source documents with no material or unresolved issues.

We reviewed potential injury factors and also considered the effect on the company and its staff via corroboration of employment data, concerning full time equivalents, median wages and similar.

Aztec Oils provided sufficient and appropriate evidence, which enabled us to conduct verification work on a sample basis, and also to perform additional verification procedures, including re-calculations, as deemed necessary and as detailed in the above sections.

Based on the work performed, and the re-submission of the questionnaire annex to ensure initially omitted data was subsequently included and errors corrected, we have a reasonable level of assurance that the information provided in Aztec Oils' questionnaire response is complete, relevant, and accurate for the purpose of this investigation.



Annexes

Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
4 th November 2024 (1 hour 30 minutes)	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	[Redacted: Personal information, 5 individuals]	[Redacted: Personal information, 4 individuals]
18 th November to 20 November 2024 (3 days)	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[Redacted: Personal information, 3 individuals]	[Redacted: Personal information, 4 individuals]