

Company Registration No: 02544586

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2015
for
Pentland Aviation Fuelling Services
Limited

THURSDAY



L5G2TZ36

LD2

22/09/2016

#53

COMPANIES HOUSE

**Pentland Aviation Fuelling Services
Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2015**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Statement of Cash Flows	9
Notes to the Financial Statements	10

**Pentland Aviation Fuelling Services
Limited**

**Company Information
for the Year Ended 31 December 2015**

DIRECTORS:

M M Henderson
R Squitieri
M J Workman
A C F Taylor

SECRETARY:

L Carter

REGISTERED OFFICE:

6th Floor (C/o Q8 Aviation)
Dukes Court
Duke Street
Woking
Surrey
GU21 5BH

REGISTERED NUMBER:

02544586 (England and Wales)

AUDITORS:

RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square, Cross Lanes
Guildford
Surrey
GU1 1UN

**Pentland Aviation Fuelling Services
Limited**

**Strategic Report
for the Year Ended 31 December 2015**

The directors present herewith their Strategic Report of the Company for the year ended 31st December 2015.

REVIEW OF BUSINESS

The profit for the year, after taxation, amounted to £1,463,397 (2014: £748,112). The directors consider the results to be satisfactory and expect the company's profitability to remain at similar levels in future years. Cash flows are expected to remain sound. Dividends of £1,055,184 (2014: £1,052,945) were paid to shareholders during the year.

The company intends to continue operating the existing tank farms at Glasgow and Edinburgh airports in accordance with the provisions of the existing leases.

At the date of this report the share capital is jointly owned by BP International Limited and Kuwait Petroleum International Aviation Company (UK) Limited and Air BP Norge AS (formerly Statoil Fuel and Retail Aviation AS).

PRINCIPAL RISKS AND UNCERTAINTIES

The company's main business risks are associated with safety, security, environmental matters and the quality control of the fuel. Its main Key Performance Indicators ("KPI's") reflected the same themes and the company's performance against these areas was acceptable. The other main KPI was cost performance against budget, against which performance during 2015 was acceptable.

PRINCIPAL ACTIVITY

The Principal activity of the company is to manage and maintain facilities for storing Jet A1 fuel at Glasgow and Edinburgh airports, and to provide into-plane services for airlines using those airports.

CONSTITUTION

Pentland Aviation Fuelling Services Limited is a joint venture company equally owned by BP International Limited, Kuwait Petroleum International Aviation Company (UK) Limited and Air BP Norge AS (formerly Statoil Fuel and Retail Aviation AS).

ON BEHALF OF THE BOARD:



.....
L Carter - Secretary

Date:

13/9/16

**Pentland Aviation Fuelling Services
Limited**

**Report of the Directors
for the Year Ended 31 December 2015**

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of management and maintenance of facilities for storing Jet A1 fuel at Glasgow and Edinburgh airports, and to provide into-plane services for airlines using those airports.

DIVIDENDS

A dividend policy is established and under regular review.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

M M Henderson
R Squitieri

Other changes in directors holding office are as follows:

M J Workman - appointed 1 July 2015
S O Naish - resigned 1 July 2015

A C F Taylor was appointed on 7 July 2016 as a director.

E Hatlebakk (resigned 3 August 2016), A Ljungmann (resigned 3 August 2016), G Skogstad (resigned 3 August 2016) and P Westerman (resigned 1 June 2016) ceased to be directors after 31 December 2015 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditor, RSM UK Audit LLP (formally Baker Tilly UK Audit LLP), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



L Carter - Secretary

Date: 13/9/16

**Report of the Independent Auditors to the Members of
Pentland Aviation Fuelling Services
Limited**

We have audited the financial statements of Pentland Aviation Fuelling Services Limited for the year ended 31 December 2015 on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.

RSM UK Audit LLP

Jonathan Da Costa (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
3rd Floor
One London Square, Cross Lanes
Guildford
Surrey
GU1 1UN

Date: *21/9/2016*

**Pentland Aviation Fuelling Services
Limited**

**Statement of Comprehensive Income
for the Year Ended 31 December 2015**

	Notes	2015 £	2014 £
TURNOVER	2	9,637,576	8,611,317
Cost of sales		<u>(2,591,853)</u>	<u>(2,424,038)</u>
GROSS PROFIT		7,045,723	6,187,279
Other Operating Costs		(1,296,139)	(1,353,570)
Administrative expenses		<u>(4,311,777)</u>	<u>(4,066,864)</u>
		1,437,807	766,845
Other operating income		<u>224,906</u>	<u>204,262</u>
OPERATING PROFIT	4	1,662,713	971,107
Interest receivable and similar income	5	<u>7,516</u>	<u>5,878</u>
		1,670,229	976,985
Interest payable and similar charges	6	<u>(29,478)</u>	<u>(28,077)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,640,751	948,908
Tax on profit on ordinary activities	7	<u>(177,354)</u>	<u>(200,796)</u>
PROFIT FOR THE FINANCIAL YEAR		1,463,397	748,112
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,463,397</u></u>	<u><u>748,112</u></u>

The notes form part of these financial statements

Pentland Aviation Fuelling Services
Limited (Registered number: 02544586)

Statement of Financial Position
31 December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	9	3,906,380	4,268,398
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	1,317,560	1,588,920
Cash at bank and in hand		<u>1,963,226</u>	<u>770,464</u>
		3,280,786	2,359,384
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	<u>(3,748,359)</u>	<u>(3,475,177)</u>
NET CURRENT LIABILITIES		<u>(467,573)</u>	<u>(1,115,793)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,438,807	3,152,605
PROVISIONS FOR LIABILITIES	15	<u>(862,447)</u>	<u>(984,458)</u>
NET ASSETS		<u>2,576,360</u>	<u>2,168,147</u>
CAPITAL AND RESERVES			
Called up share capital	16	600	600
Retained earnings	17	<u>2,575,760</u>	<u>2,167,547</u>
TOTAL EQUITY		<u>2,576,360</u>	<u>2,168,147</u>

The financial statements were approved by the Board of Directors on 8/9/16 and were signed on its behalf by:

M. Wilson
 Director

**Pentland Aviation Fuelling Services
Limited**

**Statement of Changes in Equity
for the Year Ended 31 December 2015**

	Called up Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2014	600	2,472,380	2,472,980
Changes in equity			
Transactions with owners:			
Dividends	-	(1,052,945)	(1,052,945)
Profit and total comprehensive income for the year	-	748,112	748,112
Balance at 31 December 2014	<u>600</u>	<u>2,167,547</u>	<u>2,168,147</u>
Changes in equity			
Transactions with owners:			
Dividends	-	(1,055,184)	(1,055,184)
Profit and total comprehensive income for the year	-	1,463,397	1,463,397
Balance at 31 December 2015	<u>600</u>	<u>2,575,760</u>	<u>2,576,360</u>

The notes form part of these financial statements

**Pentland Aviation Fuelling Services
Limited**

Statement of Cash Flows
for the Year Ended 31 December 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	1	2,427,275	914,210
Interest paid		(29,478)	(28,077)
Income taxes paid		<u>(71,946)</u>	<u>(356,630)</u>
Net cash from operating activities		<u>2,325,851</u>	<u>529,503</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(110,219)	(165,432)
Sale of tangible fixed assets		24,798	-
Interest received		<u>7,516</u>	<u>5,878</u>
Net cash from investing activities		<u>(77,905)</u>	<u>(159,554)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(1,055,184)</u>	<u>(1,052,945)</u>
Net cash from financing activities		<u>(1,055,184)</u>	<u>(1,052,945)</u>
Increase/(decrease) in cash and cash equivalents		1,192,762	(682,996)
Cash and cash equivalents at beginning of year	2	770,464	1,453,460
Cash and cash equivalents at end of year	2	<u><u>1,963,226</u></u>	<u><u>770,464</u></u>

The notes form part of these financial statements

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2015**

1. RECONCILIATION OF PROFIT AFTER TAX TO CASH GENERATED FROM OPERATIONS

	2015	2014
	£	£
Profit for the financial year	1,463,397	748,112
Depreciation charges	438,064	387,884
Loss on disposal of fixed assets	9,375	68,358
Increase in provisions	(65,963)	(184)
Interest payable and similar charges	29,478	28,077
Interest receivable and similar income	(7,516)	(5,878)
Taxation	<u>177,354</u>	<u>200,796</u>
	2,044,189	1,427,165
Decrease/(increase) in trade and other debtors	455,560	(561,216)
(Decrease)/increase in trade and other creditors	<u>(72,474)</u>	<u>48,261</u>
Cash generated from operations	<u>2,427,275</u>	<u>914,210</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2015

	2015	2014
	£	£
Cash and cash equivalents	<u>1,963,226</u>	<u>770,464</u>

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Financial Statements
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES

General information

Pentland Aviation Fuelling Services Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Duke Court, Duke Street, Woking and Surrey GU21 5BH.

The Company's principal activities are described on page 3.

Basis of preparing the financial statements

These financial statements are the first financial statements of FRS 102 Reporting Entity Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of FRS 102 Reporting Entity Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

The Directors consider the company to be a going concern despite the existing shareholder loan agreements allowing for all such loans to be repayable on demand from May 2015. Written undertakings from the shareholders to confirm that the overall level of existing loans will be maintained for at least 12 months from date of signing of the financial statements ensure continuity in case the new loan agreements are not executed in the near future.

The financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

There are no transitional adjustments, accordingly the comparative figures have not been restated and no need to disclose a reconciliation of equity in these financial statements.

The financial statements are presented in sterling which is also the functional currency of the Company

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided on all tangible assets at the following rates in order to write off the cost of the assets evenly over their estimated useful lives.

Leasehold Land and Buildings - over the remainder of the lease, up to 30 years

Plant and Machinery - 3 to 30 years on a straight line basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES - continued

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions for environmental and refurbishment costs

The total costs of reinstatement and surface restoration are recognised in the environmental provision. An external assessment is carried out on each site every 5 years. Provision is made for the costs of refurbishment that arise from obligations under operating leases.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The valuation of the year environmental provision requires estimates to be made about its anticipated costs of future site rehabilitation. Where possible external specialists are periodically used to estimate these costs, and the directors review these estimates annually and revise the provision accordingly.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Hire purchase and leasing commitments

The Company as Lessee - Operating Leases

All operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

The Company as a Lessor - Operating Leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities wholly undertaken within the United Kingdom, stated net of value added tax.

3. STAFF COSTS

There were no employees during the year (2014: nil). The directors, who receive no remuneration (2014: £nil) from the company, are senior executives for, and are remunerated by, the shareholders and there is no remuneration to disclose for key management personnel.

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	438,064	387,884
Loss on disposal of fixed assets	9,375	68,358
Auditors' remuneration	23,488	15,859
Management charges	35,000	50,000
Increase in environmental provision	10,677	10,315
Decrease in refurbishment provision	-	(10,500)

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £	2014 £
Bank interest receivable	<u>7,516</u>	<u>5,878</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Loan interest	<u>29,478</u>	<u>28,077</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	367,318	255,602
UK corporation in respect of previous periods	<u>(75,776)</u>	<u>(36,325)</u>
Total current tax	291,542	219,277
Deferred tax	<u>(114,188)</u>	<u>(18,481)</u>
Tax on profit on ordinary activities	<u>177,354</u>	<u>200,796</u>

UK corporation tax has been charged at 20.25% (2014 - 21.50%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,640,751</u>	<u>948,908</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	332,252	204,015
Effects of:		
Capital allowances in excess of depreciation	(14,959)	-
Depreciation in excess of capital allowances	-	33,106
Adjustments to tax charge in respect of previous periods	(75,776)	(36,325)
Effect of changes in tax rate	<u>(64,163)</u>	<u>-</u>
Tax expense	<u>177,354</u>	<u>200,796</u>

8. DIVIDENDS

	2015 £	2014 £
Ordinary A shares of £1 each		
Interim paid	<u>1,055,184</u>	<u>1,052,945</u>

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 1 January 2015	1,129,721	7,467,223	8,596,944
Additions	5,583	104,636	110,219
Disposals	-	(74,798)	(74,798)
At 31 December 2015	<u>1,135,304</u>	<u>7,497,061</u>	<u>8,632,365</u>
DEPRECIATION			
At 1 January 2015	648,860	3,679,686	4,328,546
Charge for year	60,366	377,698	438,064
Eliminated on disposal	-	(40,625)	(40,625)
At 31 December 2015	<u>709,226</u>	<u>4,016,759</u>	<u>4,725,985</u>
NET BOOK VALUE			
At 31 December 2015	<u>426,078</u>	<u>3,480,302</u>	<u>3,906,380</u>
At 31 December 2014	<u>480,861</u>	<u>3,787,537</u>	<u>4,268,398</u>

The net book value of fixed assets utilised by the company in operating lease contracts is £2,426,435 (2014: £2,661,663), and the depreciation charge for 2015 is £186,952 (2014: £109,517).

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	1,044,738	1,512,863
Other debtors	184,200	-
VAT	66,890	65,592
Prepayments	21,732	10,465
	<u>1,317,560</u>	<u>1,588,920</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Other loans (see note 12)	2,697,970	2,697,970
Trade creditors	103,454	45,795
Corporation tax	367,318	21,662
Accruals and deferred income	579,617	709,750
	<u>3,748,359</u>	<u>3,475,177</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year or on demand:		
Other loans	<u>2,697,970</u>	<u>2,697,970</u>

**Pentland Aviation Fuelling Services
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2015	2014
	£	£
Within one year	934,116	923,508
Between one and five years	3,927,061	3,882,465
In more than five years	5,746,693	6,814,689
	<u>10,607,870</u>	<u>11,620,662</u>

The lease payments are directly linked to income and are likely to differ from the figures above, however this is the best estimation available.

14. FINANCIAL INSTRUMENTS

	2015	2014
	£	£
<u>Financial assets</u>		
Measured at amortised cost		
Cash at bank and in hand	1,963,226	770,464
Trade debtors	1,044,738	1,512,863
Other debtors	184,200	-
	<u>3,192,164</u>	<u>2,283,327</u>
<u>Financial liabilities</u>		
Measured at amortised cost		
Other loans	2,697,970	2,697,970
Trade creditors	103,454	45,795
Accruals	579,617	709,750
	<u>3,381,041</u>	<u>3,453,515</u>

15. PROVISIONS FOR LIABILITIES

	2015	2014
	£	£
Deferred tax	450,727	564,915
Environmental provision	411,720	419,543
	<u>862,447</u>	<u>984,458</u>

The deferred tax liability has been calculated using a rate of 20%, which represents the expected enacted rate of corporation tax at 31st December 2015 and is the rate at which the liability is expected to reverse

	Environmental provision	Refurbishment provision	Deferred taxation	Total
	£	£	£	£
At 1 st January	305,043	114,500	564,915	984,458
Utilised in the year	-	(114,500)	-	(114,500)
Transfer from profit and loss	10,677	96,000	(114,188)	(7,511)
At 31 st December	<u>315,720</u>	<u>96,000</u>	<u>450,727</u>	<u>862,447</u>

The total costs of reinstatement and surface restoration works is recognised by the environmental provision, which has been calculated to the period where the operating licence is due to expire on 1st July 2026. The provision is based on 3rd party valuations.

As part of the lease agreement on the airport sites, the company may be required to undertake various repairs and refurbishment works at one or both of the airport sites on a rolling basis. Refurbishment works totalling £96,000, identified as being required in order to satisfy the requirements of the lease, were identified during the year. Refurbishment works at a cost of £114,500, identified last year and scheduled to be carried-out in 2015, were carried out in the year.

Pentland Aviation Fuelling Services Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2015 £	2014 £
200	Ordinary A	£1	200	200
200	Ordinary B	£1	200	200
200	Ordinary C	£1	200	200
			<u>600</u>	<u>600</u>

All ordinary shares have equal rights attached.

17. RESERVES

	Retained earnings £
At 1 January 2015	2,167,547
Profit for the year	1,463,397
Dividends	<u>(1,055,184)</u>
At 31 December 2015	<u>2,575,760</u>

18. RELATED PARTY DISCLOSURES

During 2015 the Company provided fuelling services for its joint owners, BP International Limited, Kuwait Petroleum International Aviation Company (UK) Limited and Air BP Norge AS (formerly Statoil Fuel & Retail AS). Amounts receivable from its joint owners in respect of these services were £6,703,768 (2014: £5,696,392). At 31st December 2015 an amount of £604,793 (2014: £1,111,630) was owed to the Company by its joint owners and is included in trade debtors.

During 2015 management services were provided to Pentland Aviation Fuelling Services Limited by its joint owners. In the year the company paid £35,000 in respect of these services (2014: £50,000 in respect of these services). At 31st December 2014 an amount of £20,000 (2014: £15,000) was owed by the Company to its joint owners and is included in trade creditors.

During 2015 interest arising on shareholder loans amounted to £29,246 (2014: £28,077). At 31st December 2015, loan balances owing to its joint owners were £2,697,970 (2014: £2,697,970).

19. ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is BP International Limited, which is domiciled and incorporated in England and Wales.

The directors consider the ultimate holding company to be BP PLC, a company incorporated in England and Wales.