

Hampshire Aviation LLP

Annual report and financial statements

Registered number OC330880

31 December 2015



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Members' report

The Board submits its report together with the audited financial statements of Hampshire Aviation LLP for the year ended 31 December 2015.

Legal structure

Hampshire Aviation LLP is incorporated as a limited liability partnership under the Limited Liability Partnerships Act 2000 and is referred to in these financial statements as the "partnership".

The partnership's registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

Designated members and the Board

The designated members (Limited Liability Partnerships Act 2000) of Hampshire Aviation LLP during the year were:

J A Ratcliffe
A C Currie
J Reece
Ineos Capital Ltd

Principal activities

The principal activity of the LLP is that of jet aircraft ownership and rental.

Individual members' remuneration

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.


Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the partnership's auditor is unaware; and each member has taken all the steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the partnership's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office.

By order of the Board


J Reece
Designated Member

Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG

29 September 2016

Statement of members' responsibilities in respect of the Report to the members and the financial statements

The members are responsible for preparing the annual report and financial statements to the members in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 (FRS 102) and applicable law). Under company law as applied to limited liability partnerships the members 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 LLP and the profit or loss of the LLP for that period.

In preparing these financial statements, the members 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 comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its members in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



J Reece
Designated Member
29 September 2016

Independent auditor's report to the members of Hampshire Aviation Limited Liability Partnership ("LLP")

Report on the financial statements

Our opinion

In our opinion, Hampshire Aviation LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2015 and of its loss 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- Profit and loss and other comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Hampshire Aviation Limited Liability Partnership (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on page 4, the members 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
29 September 2016

Profit and loss and other comprehensive income
for the year ended 31 December 2015

	<i>Note</i>	2015 £	2014 £
Turnover	2	8,463,763	8,502,092
Administrative expenses	3	(9,521,218)	(6,413,796)
Operating (loss) /profit		(1,057,455)	2,088,296
Interest payable and similar charges	4	(64,653)	(177,646)
(Loss)/profit for the financial year before members' remuneration and profit shares		(1,122,108)	1,910,650
Members' remuneration charged as an expense		-	-
(Loss)/profit for the financial year available for discretionary division among members		(1,122,108)	1,910,650

All amounts relate to continuing operations.

All recognised gains or losses in the current financial year and the preceding financial year are included in the profit and loss account, as such no separate statement of comprehensive income has been presented.

Balance Sheet

at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	5	18,886,307	23,636,779
Current assets			
Debtors (including £nil (2014: £nil) due after more than one year)	6	543,748	897,674
Amounts due from related parties	6	2,227,509	9,954,997
Cash at bank and in hand	7	271,822	1,101,675
Creditors: amounts falling due within one year			
Bank overdraft and loans	9	-	(12,317,160)
Other creditors and accruals	8	(496,350)	(718,821)
Net current assets / (liabilities)		2,546,729	(1,081,635)
Total assets less current liabilities		21,433,036	22,555,144
Net assets attributable to members		21,433,036	22,555,144
Represented by:			
Members' other interests			
Members' capital classified as equity	10	26,000,000	26,000,000
Members' other interests – other reserves classified as equity	10	(4,566,964)	(3,444,856)
		21,433,036	22,555,144
Total members' interest			
Member's other interest	10	21,433,036	22,555,144
		21,433,036	22,555,144

These financial statements were approved by the members on 29 September 2016 and were signed on its behalf by:



J Reece
Designated Member

Partnership registered number: OC330880

**Statement of changes in equity
at 31 December 2015**

	Individual members' capital £	Members' other reserves £
Balance at 23 January 2014	26,000,000	(5,355,506)
Capital introduced by members	-	-
Profits for the financial year 2014	-	1,910,650
Members interest after allocation of losses for the year	26,000,000	(3,444,856)
Profits allocated to members during the year	-	-
Balance at 31 December 2014	26,000,000	(3,444,856)
Balance at 1 January 2015	26,000,000	(3,444,856)
Capital introduced by members	-	-
Losses for the financial year 2015	-	(1,122,109)
Members interest after allocation of losses for the year	26,000,000	(4,566,966)
Losses allocated to members during the year	-	-
Balance at 31 December 2015	26,000,000	(4,566,966)

Ineos Capital Ltd is the preferential member and all profit for the previous financial year has been attributed to this member.

Notes

(forming part of the financial statements)

1 Accounting policies

Hampshire Aviation LLP (the "partnership") is a partnership incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2015. The presentation currency of these financial statements is sterling. In these financial statements, the partnership has adopted early FRS 102 Section 1A.

In the transition to FRS 102 from old UK GAAP, the partnership has made no measurement and recognition adjustments.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Foreign currency

Transactions are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies in the balance sheet are translated at the closing rate for the year. All translation gains and losses on the settlement of monetary assets and liabilities are included in the determination of the profit for the year. Gains and losses due to currency transactions arising in the normal course of business are included in the profit and loss account.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The partnership assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Jet aircraft 33 1/3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the partnership expects to consume an asset's future economic benefits.

Notes (continued)

1 Accounting policies (continued)

1.5 Taxation

Taxation on all partnership profits is solely the liability of members. Consequently neither taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

1.6 Turnover

The partnership operates one class of business, that of jet aircraft ownership and rental, and in one geographical sector, the United Kingdom. Turnover represents rental fees and associated income, net of value added tax and is recognised upon delivery of the relevant services.

1.7 Accrued income

This includes the income incurred during the financial year but invoiced in the subsequent financial year.

1.8 Deferred income

This includes the income invoiced during the financial year but related to a subsequent financial year.

1.9 Accounting estimates and judgements

In the application of the partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The members do not consider there to be any critical judgements or key sources of estimation uncertainty within the accounts.

2 Turnover

	2015 £	2014 £
Rendering of services	8,463,763	8,502,092
Total turnover	8,463,763	8,502,092

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2015 £	2014 £
Foreign exchange rate movement	(918,460)	(592,083)
Depreciation of tangible fixed assets	890,471	890,471
Impairment – fixed asset write down	3,860,000	-
Other operating costs	5,683,457	6,109,408

Subsequent to the year end, the partnership has commenced marketing the two Hawker 900 jets for sale. As a Cessation of trading by the manufacture has had an adverse effect on the second hand market value and the partners have made an impairment provision to write the net book value down to the current market value.

Notes (continued)

3 Expenses and auditor's remuneration (continued)

Auditor's remuneration:

	2015 £	2014 £
Audit of these financial statements	5,750	6,000

4 Interest payable and similar charges

Interest payable and similar charges include interest payable and similar on bank loans and overdrafts of £64,653 (2014:£177,646) and on all other loans of £Nil (2014:£Nil). Of the above amount £Nil (2014:£Nil) was payable to members.

5 Tangible fixed assets

	Jet aircraft £
Cost	
Balance at 1 January 2015	29,682,373
Other acquisitions	-
Disposals	-
Effect of movements in foreign exchange	-
Balance at 31 December 2015	29,682,373
Depreciation and impairment	
Balance at 1 January 2015	(6,045,594)
Depreciation charge for the year	(890,471)
Impairment - fixed asset write down	(3,860,000)
Disposals	-
Effect of movements in foreign exchange	-
Balance at 31 December 2015	10,796,065
Net book value	
At 1 January 2015	23,636,779
At 31 December 2015	18,886,307

Notes (continued)

6 Debtors

	2015 £	2014 £
Amounts owed by related parties (note 12)	2,227,509	9,954,997
Other debtors	430,414	547,693
Prepayments and accrued income	113,334	349,981
Due within one year	2,771,257	10,852,671
Due more than after one year	-	-

7 Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	271,822	1,101,675

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts (see note 9)	-	12,317,160
Other creditors	280,555	391,828
Accruals and deferred income	215,791	326,993

9 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the partnership's interest bearing loans and borrowings, which are measured at amortised cost.

	2015 £	2014 £
Creditors falling due more than one year		
Secured bank loans	-	-
Debenture loans	-	-
Creditors falling due within less than one year		
Secured bank loans	-	12,317,160
Debenture loans	-	-
Unsecured bank facility	-	-

Notes (continued)

9 Interest-bearing loans and borrowings (continued)

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2015 £	2014 £
Barclays Bank	Euro	Libor +1%	2014		-	12,317,160

10 Individual members' capital and other interests

The partnership is financed by members' capital. The partnership's capital structure is regularly reviewed to ensure it remains relevant for the business.

	£
Balance at 1 January 2014	20,644,494
Profit for the financial year	1,910,650
Balance at 31 December 2014	22,555,144
Balance at 1 January 2015	22,555,144
Capital introduced by members	-
Repayments of capital	-
Loss for the financial year	(1,122,108)
Balance at 31 December 2015	21,433,036

11 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2015 £	2014 £
Assets measured at amortised cost	2,768,027	10,502,690
Liabilities measured at amortised cost	280,560	12,708,988

12 Related parties

Identity of related parties with which the partnership has transacted

	2015 £	Sales to 2014 £	Sales receivable outstanding 2015 £	2014 £
Members				
CHEM Aviation LLP	52,542	194,301	52,542	194,301
Hampshire Aviation Limited	-	297,941	-	297,941
INEOS AG	2,174,967	8,144,242	2,174,967	8,144,242
Other related parties	-	-	-	-
	2,227,509	8,636,484	2,227,509	8,636,484

	Loans receivable outstanding 2015 £	2014 £
Members	-	-
Other related parties	-	1,318,513
	-	1,318,513

No members of key management were remunerated through this entity.

Notes *(continued)*

13 Transition

There are no matters adjusted or to disclose as a result of transition to Financial Reporting Standard 102 *The Financial Reporting Standard*.