

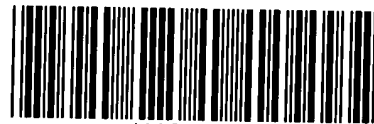
Hampshire Aviation LLP

Annual report and financial statements

Registered number OC330880

31 December 2016

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Contents

Members' report	3
Independent auditor's report to the members of Hampshire Aviation Limited Liability Partnership ("LLP")	5
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

Members' report

The Board submits its report together with the audited financial statements of Hampshire Aviation LLP for the year ended 31 December 2016.

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.

Statement of members' responsibilities

The members are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members' report (continued)

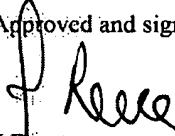
Disclosure of information to auditors

The members confirm that as far as they are aware, there is no relevant audit information of which the partnership's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

Independent auditors

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

Approved and signed by order of the board


J Reece
Designated Member

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

28 September 2017

Independent auditors' report to the members of Hampshire Aviation 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 2016 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 2016;
- Profit and Loss Account 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", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

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 LLP (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 3, 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

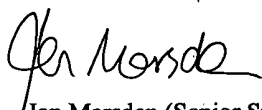
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
28 September 2017

Profit and Loss Account
for the year ended 31 December 2016

	<i>Note</i>	2016 £	2015 £
Turnover	2	13,311,008	8,463,763
Administrative expenses		(14,374,944)	(9,521,218)
Operating loss	3	(1,063,936)	(1,057,455)
Interest payable and similar charges	4	(1,382,526)	(64,653)
Loss for the financial year before members' remuneration and profit shares		(2,446,462)	(1,122,108)
Members' remuneration charged as an expense		-	-
Loss for the financial year available for discretionary division among members		(2,446,462)	(1,122,108)

All amounts relate to continuing operations.

All recognised gains or losses in the current financial year and the preceeding 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 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	43,068,430	18,886,307
Current assets			
Debtors	6	9,363,762	2,771,257
Cash at bank and in hand	7	6,204,136	271,822
Creditors: amounts falling due within one year			
Other creditors and accruals	8	(39,649,754)	(496,350)
Net current (liabilities) / assets		(24,081,856)	2,546,729
Total assets less current liabilities		18,986,574	21,433,036
Net assets attributable to members		18,986,574	21,433,036
Represented by:			
Members' other interests			
Members' capital classified as equity	9	26,000,000	26,000,000
Members' other interests – other reserves classified as equity	9	(7,013,426)	(4,566,964)
		18,986,574	21,433,036
Total members' interest			
Member's other interest	9	18,986,574	21,433,036
		18,986,574	21,433,036

These financial statements on page 7 to 14 were approved by the members on 28 September 2017 and were signed on its behalf by:


J Reece

Designated Member

Partnership registered number: OC330880

Statement of Changes in Equity
For the year ended 31 December 2016

	Individual members' capital £	Members' other reserves £
Balance at 1 January 2015	26,000,000	(3,444,856)
Capital introduced by members	-	-
Loss for the financial year	-	(1,122,108)
Members interest after allocation of loss for the year	26,000,000	(4,566,964)
Losses allocated to members during the year	-	-
Balance at 31 December 2015	26,000,000	(4,566,964)
Balance at 1 January 2016	26,000,000	(4,566,964)
Capital introduced by members	-	-
Loss for the financial year	-	(2,446,462)
Members interest after allocation of loss for the year	26,000,000	(7,013,426)
Loss allocated to members during the year	-	-
Balance at 31 December 2016	26,000,000	(7,013,426)

INEOS Capital Limited is the preferential member.

Notes

(forming part of the financial statements)

1 Accounting policies

Hampshire Aviation LLP (the "partnership") is a partnership incorporated and registered in England.

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*"). The presentation currency of these financial statements is sterling.

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 13 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 financial statements.

2 Turnover

	2016 £	2015 £
Rendering of services	13,311,008	8,463,763
Total turnover	13,311,008	8,463,763

3 Operating loss

Included in operating loss are the following:

	2016 £	2015 £
Foreign exchange rate movement	3,243,922	(918,460)
Depreciation of tangible fixed assets	3,372,699	890,471
Impairment – fixed asset write down	-	3,860,000
Loss on disposal of fixed assets	373,370	-
Other operating costs	7,384,953	5,683,457

Notes (continued)

3 Expenses and auditors' remuneration (continued)

Auditors' remuneration:

	2016 £	2015 £
Audit of these financial statements	6,000	5,750

4 Interest payable and similar charges

Interest payable and similar charges include interest payable and similar on bank loans and overdrafts of £1,382,526 (2015: £64,653) and on all other loans of £Nil (2015: £Nil). Of the above amount £Nil (2015: £Nil) was payable to members.

5 Tangible fixed assets

	Jet aircraft £
Cost	
Balance at 1 January 2016	29,682,372
Additions	30,976,418
Disposals	(7,013,572)
Balance at 31 December 2016	53,645,218
Depreciation and impairment	
Balance at 1 January 2016	10,796,065
Depreciation charge for the year	3,372,699
Disposals	(3,591,976)
Balance at 31 December 2016	10,576,788
Net book value	
At 1 January 2016	18,886,307
At 31 December 2016	43,068,430

Notes (continued)

6 Debtors

	2016 £	2015 £
Amounts owed by related parties (note 11)	8,936,562	2,227,509
Other debtors	151,642	430,414
Prepayments and accrued income	275,558	113,334
	9,363,762	2,771,257

Amounts owed by related parties due within one year are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

7 Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	6,204,136	271,822

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	127,164	280,555
Amounts owed to related parties (note 11)	39,106,109	-
Accruals and deferred income	416,481	215,791
	39,649,754	496,346

9 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 2015	22,555,144
Loss for the financial year	(1,122,108)
Balance at 31 December 2015	21,433,036
Balance at 1 January 2016	21,433,036
Loss for the financial year	(2,446,462)
Balance at 31 December 2016	18,986,574

10 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2016 £	2015 £
Assets measured at amortised cost	9,309,663	2,768,027
Liabilities measured at amortised cost	127,164	280,560

Notes (continued)

11 Related parties

Identity of related parties with which the partnership has transacted

	Sales to 2016 £	Sales to 2015 £	Purchases/loan advanced from 2016 £	Purchases from 2015 £
Members				
Other related parties	13,311,008	8,463,763	40,814,648	-
	13,311,008	8,463,763	40,814,648	-

	Receivables outstanding 2016 £000	Receivables outstanding 2015 £000	Creditors outstanding 2016 £000	Creditors outstanding 2015 £000
Members				
Other related parties	8,936,562	2,227,509	39,106,109	-
	8,936,562	2,227,509	39,106,109	-

No members of key management were remunerated through this entity.