

Hampshire Aviation LLP

Annual report and financial statements

Registered number OC330880

31 December 2018



Contents

Members' report	3
Independent auditors' report to the members of Hampshire Aviation Limited Liability Partnership ("LLP")	5
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes	11

Members' report

The Board submits its report together with the audited financial statements of Hampshire Aviation LLP for the year ended 31 December 2018.

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 leasing.

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 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 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.

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 members 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

4 July 2019

Independent auditors' report to the members of Hampshire Aviation LLP

Report on the audit of the financial statements

Opinion

In our opinion, Hampshire Aviation LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared 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); 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.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

Independent auditors' report to the members of Hampshire Aviation LLP (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Independent auditors' report to the members of Hampshire Aviation LLP (continued)

Other required reporting

Companies Act 2006 exception reporting

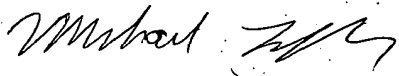
Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.



Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
4 July 2019

Profit and Loss Account
for the year ended 31 December 2018

	<i>Note</i>	2018 £	2017 £
Turnover	2	12,471,368	9,951,704
Administrative expenses		(13,115,314)	(12,642,479)
Operating loss	3	(643,946)	(2,690,775)
Interest payable and similar charges	4	(1,632,921)	(351,611)
Loss for the financial year before members' remuneration and profit shares		(2,276,867)	(3,042,386)
Members' remuneration charged as an expense		-	-
Loss for the financial year available for discretionary division among members		(2,276,867)	(3,042,386)

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 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	88,790,542	87,434,175
Current assets			
Debtors	6	6,463,335	14,987,649
Cash at bank and in hand	7	6,533,481	5,417,166
Creditors: amounts falling due within one year	8	(88,120,037)	(91,894,802)
Net current liabilities		(75,123,221)	(71,489,987)
Total assets less current liabilities		13,667,321	15,944,188
Net assets attributable to members		13,667,321	15,944,188
Represented by:			
Members' other interests			
Members' capital classified as equity		26,000,000	26,000,000
Members' other interests – other reserves classified as equity		(12,332,679)	(10,055,812)
		13,667,321	15,944,188
Total members' interest			
Member's other interest	9	13,667,321	15,944,188
		13,667,321	15,944,188

These financial statements on page 8 to 14 were approved by the members on 4 July 2019 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 2018

	Individual members' capital £	Members' other reserves £
Balance at 1 January 2017	26,000,000	(7,013,426)
Capital introduced by members	-	-
Loss for the financial year	-	(3,042,386)
Members interest after allocation of loss for the year	26,000,000	(10,055,812)
Loss allocated to members during the year	-	-
Balance at 31 December 2017	26,000,000	(10,055,812)
Balance at 1 January 2018	26,000,000	(10,055,812)
Capital introduced by members	-	-
Loss for the financial year	-	(2,276,867)
Members interest after allocation of loss for the year	26,000,000,	(12,332,679)
Loss allocated to members during the year	-	-
Balance at 31 December 2018	26,000,000	(12,332,679)

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 at transaction price less attributable transaction costs. Trade and other creditors are recognised at transaction price plus attributable transaction costs.

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 leasing, and in one geographical sector, the United Kingdom. Turnover represents lease 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

	2018 £	2017 £
Rendering of services	12,471,368	9,951,704
Total turnover	12,471,368	9,951,704

3 Operating loss

Included in operating loss are the following:

	2018 £	2017 £
Foreign exchange rate movement	1,237,820	2,235,957
Depreciation of tangible fixed assets	8,177,046	5,932,709
Loss on disposal of fixed assets	-	767,150
Other operating costs	3,700,448	3,706,663
	13,115,314	12,642,479

Notes (continued)

3 Operating loss (continued)

Auditors' remuneration:

	2018 £	2017 £
Audit of these financial statements	6,316	6,162

4 Interest payable and similar charges

Interest payable and similar charges include interest payable and similar on bank loans and overdrafts of £1,632,921 (2017: £351,611).

5 Tangible assets

	Jet aircraft £
Cost	
Balance at 1 January 2018	100,173,455
Additions	9,533,413
Disposals	-
Balance at 31 December 2018	109,706,868
Accumulated depreciation	
Balance at 1 January 2018	12,739,280
Depreciation charge for the year	8,177,046
Disposals	-
Balance at 31 December 2018	20,916,326
Net book value	
At 31 December 2017	87,434,175
At 31 December 2018	88,790,542

6 Debtors

	2018 £	2017 £
Amounts owed by related parties (note 10)	6,099,285	14,670,214
Other debtors	109,887	187,769
Prepayments and accrued income	254,163	129,666
	6,463,335	14,987,649

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

7 Cash at bank and in hand

	2018 £	2017 £
Cash at bank and in hand	6,533,481	5,417,166

Notes (continued)

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	213,467	175,572
Amounts owed to related parties (note 10)	87,848,163	91,711,995
Accruals and deferred income	58,407	7,235
	88,120,037	91,894,802

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 2017	18,986,574
Loss for the financial year	(3,042,386)
Balance at 31 December 2017	15,944,188
Balance at 1 January 2018	15,944,188
Loss for the financial year	(2,276,867)
Balance at 31 December 2018	13,667,321

10 Related parties

	Sales to 2018 £	Sales to 2017 £	Purchases/loan advanced from 2018 £	Purchases/loan Advanced from 2017 £
Members	6,628,830	4,986,711	-	-
Other related parties	5,842,538	4,964,993	(2,805,287)	52,864,645
	12,471,368	9,951,704	(2,805,287)	52,864,645

	Receivables outstanding 2018 £000	Receivables outstanding 2017 £000	Creditors outstanding 2018 £000	Creditors outstanding 2017 £000
Members	3,285,668	4,218,071	-	-
Other related parties	2,813,617	10,452,143	87,848,163	91,711,995
	6,099,285	14,670,214	87,848,163	91,711,995

No members of key management were remunerated through this entity.