

Registered number: 08655019

HARVEST ENERGY AVIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019



HARVEST ENERGY AVIATION LIMITED

COMPANY INFORMATION

Directors	Mr W S Soosaipillai Mr D C E Borneo
Company secretary	Mrs A Soosaipillai
Registered number	08655019
Registered office	Prax House Horizon Business Village 1 Brooklands Road Weybridge Surrey KT13 0TJ
Independent auditor	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT
Banker	HSBC Plc 8 Canada Square Canary Wharf London E14 5HQ
Solicitor	Freshfields Bruckhaus Deringer 65 Fleet Street London EC4Y 1HS

HARVEST ENERGY AVIATION LIMITED

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HARVEST ENERGY AVIATION LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors present their report and the financial statements for the year ended 28 February 2019.

Principal activity

The principal activity of the company during the year was the sale of Avgas and Jet A1 to airports and General Aviation (GA) airfields.

Results and dividends

The profit for the year, after taxation, amounted to \$483,737 (2018 - profit of \$323,659).

The directors do not recommend the payment of a dividend for the year (2018 - \$Nil).

Directors

The directors who served during the year and to the date of approval of these financial statements were:

Mr W S Soosaipillai
Mr D C E Borneo

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect of fraud and other irregularities.

HARVEST ENERGY AVIATION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Future developments

The directors expect the general level of activities to continue for the foreseeable future.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

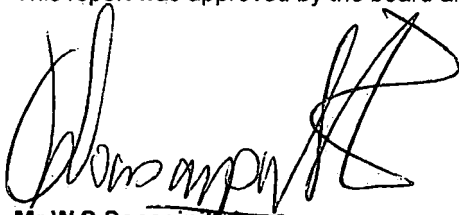
Auditors

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies provision

In preparing this report the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies' Act 2006.

This report was approved by the board and signed on its behalf.



Mr W S Soosaipillai
Director

Date: 20 Sept 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARVEST ENERGY AVIATION LIMITED

Opinion

We have audited the financial statements of Harvest Energy Aviation Limited (the 'company') for the year ended 28 February 2019, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 'The Financial Reporting applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Brexit other matter paragraph

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of certain assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARVEST ENERGY AVIATION LIMITED (CONTINUED)

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view, 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; assessing the company'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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARVEST ENERGY AVIATION LIMITED
(CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

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.



Julie Wheeldon (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Date: 21 September 2019

HARVEST ENERGY AVIATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Turnover	4	9,441,248	4,769,913
Cost of sales		(8,776,731)	(4,250,831)
Gross profit		<u>664,517</u>	<u>519,082</u>
Administrative expenses		(151,805)	(141,621)
Operating profit	5	<u>512,712</u>	<u>377,461</u>
Interest receivable and similar income	7	2	583
Profit before taxation		<u>512,714</u>	<u>378,044</u>
Tax on profit	8	(28,977)	(54,385)
Profit for the financial year		<u><u>483,737</u></u>	<u><u>323,659</u></u>

All amounts relate to continuing activities.

The notes on pages 11 to 20 form part of these financial statements.

HARVEST ENERGY AVIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2019

	Year ended 28 February 2019 Note	Year ended 28 February 2018
	\$	\$
Profit for the financial year	<u>483,737</u>	<u>323,659</u>
Other comprehensive expense		
Currency translation differences	<u>(895)</u>	<u>(3,786)</u>
Other comprehensive expense for the year	<u>(895)</u>	<u>(3,786)</u>
Total comprehensive income for the year	<u><u>482,842</u></u>	<u><u>319,873</u></u>

The notes on pages 11 to 20 form part of these financial statements.

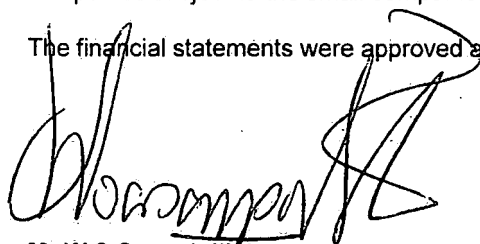
HARVEST ENERGY AVIATION LIMITED
REGISTERED NUMBER: 08655019

BALANCE SHEET
AS AT 28 FEBRUARY 2019

	Note	2019 \$	2018 \$
Fixed assets			
Tangible assets	9	7,565	12,314
		<u>7,565</u>	<u>12,314</u>
Current assets			
Debtors	10	1,036,474	412,065
Cash at bank and in hand	11	124,986	50,375
		<u>1,161,460</u>	<u>462,440</u>
Creditors: amounts falling due within one year	12	(549,951)	(337,995)
Net current assets		<u>611,509</u>	<u>124,445</u>
Total assets less current liabilities		<u>619,074</u>	<u>136,759</u>
Provisions for liabilities			
Deferred tax	13	(370)	(897)
		<u>(370)</u>	<u>(897)</u>
Net assets		<u><u>618,704</u></u>	<u><u>135,862</u></u>
Capital and reserves			
Called up share capital	14	77,384	77,384
Foreign exchange reserve	15	149,566	150,461
Profit and loss account	15	391,754	(91,983)
Shareholders' funds		<u><u>618,704</u></u>	<u><u>135,862</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr W S Soosaipillai
Director

Date: 20 Sept 2019

The notes on pages 11 to 20 form part of these financial statements.

HARVEST ENERGY AVIATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2019

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 March 2018	77,384	150,461	(91,983)	135,862
Comprehensive income for the year				
Profit for the year	-	-	483,737	483,737
Currency translation differences	-	(895)	-	(895)
Other comprehensive expense for the year	-	(895)	-	(895)
Total comprehensive (expense)/income for the year	-	(895)	483,737	482,842
At 28 February 2019	77,384	149,566	391,754	618,704

The notes on pages 11 to 20 form part of these financial statements.

HARVEST ENERGY AVIATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2018

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 March 2017	77,384	154,247	(415,642)	(184,011)
Comprehensive income for the year				
Profit for the year	-	-	323,659	323,659
Currency translation differences	-	(3,786)	-	(3,786)
Other comprehensive expense for the year	-	(3,786)	-	(3,786)
Total comprehensive income for the year	-	(3,786)	323,659	319,873
At 28 February 2018	77,384	150,461	(91,983)	135,862

The notes on pages 11 to 20 form part of these financial statements.

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

1. General information

Harvest Energy Aviation Limited is a limited liability company incorporated in England and Wales. The Registered Office is Prax House, Horizon Business Village, 1 Brooklands Road, Weybridge, KT13 0TJ. The principal place of business is York House, 45 Seymour Street, London, W1H 7JT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Company's functional currency is British Pounds ("GBP").

The Company's financial statements are presented in United States Dollar ("USD"), denoted by the symbol '\$'. Results of operations based in non-USD functional currency have been translated into USD at average rates for the year, and the related balance sheet has been translated at the rates of exchange ruling at the balance sheet date.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company's ultimate parent undertaking, State Oil Limited includes the Company in its consolidated financial statements. The consolidated financial statements of State Oil Limited are available to the public and may be obtained from Prax House, Horizon Business Village, 1 Brooklands Road, Weybridge, KT13 0TJ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of State Oil Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.3 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 1.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, exclusive of Value Added Tax but inclusive of excise duties.

Revenue from the sale of fuel is recognised when the risks and rewards of ownership are transferred to the buyer. Where the company or its contractors deliver fuel, this is the day the delivery is completed. Where the customer collects the fuel or goods, this is the day of collection.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the period of the lease.

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables and receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including forward commodity contracts and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Trade receivables

Management estimates the recoverable amount of trade receivables, taking into account the most reliable evidence at each reporting date and making a provision for any doubtful debts.

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Sale of Avgas & Jet A1	9,440,270	4,769,593
Other income	978	320
	<u>9,441,248</u>	<u>4,769,913</u>

Analysis of turnover by country of destination:

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
UK	8,806,601	4,482,487
Rest of the world	634,647	287,426
	<u>9,441,248</u>	<u>4,769,913</u>

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

5. Operating profit

The operating profit is stated after charging:

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Depreciation of tangible fixed assets	4,289	4,268
Fees payable to the Company's auditor and its associates	25,074	19,697
Exchange differences	6,474	(49,678)
Other operating lease rentals	205,514	196,944
	<u>235,277</u>	<u>170,631</u>

Directors emoluments are borne by the parent company. The proportion of Directors emoluments attributable to this company are \$14,841 (2018 - \$14,061).

The company has no employees other than Directors, who did not receive any remuneration (2018 - \$Nil).

6. Auditor's remuneration

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	25,074	19,697
Total audit services	<u>25,074</u>	<u>19,697</u>

7. Interest receivable

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Other interest receivable	2	583
	<u>2</u>	<u>583</u>

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

8. Taxation

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Corporation tax		
Current tax on profits for the year	29,469	-
	<u>29,469</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(492)	54,385
Total deferred tax	<u>(492)</u>	<u>54,385</u>
Tax on profit	<u>28,977</u>	<u>54,385</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	Year ended 28 February 2019 \$	Year ended 28 February 2018 \$
Profit before tax	512,714	378,044
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	97,416	72,150
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	48	14
Change in tax rate on deferred tax balances	57	(6,670)
Marginal relief	-	(11,109)
Group relief	(68,544)	-
Total tax charge for the year	<u>28,977</u>	<u>54,385</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

9. Tangible fixed assets

	Plant and machinery \$	Total \$
Cost		
At 1 March 2018	22,391	22,391
Exchange adjustments	(775)	(775)
At 28 February 2019	<u>21,616</u>	<u>21,616</u>
Depreciation		
At 1 March 2018	10,077	10,077
Charge for the year	4,289	4,289
Exchange adjustments	(315)	(315)
At 28 February 2019	<u>14,051</u>	<u>14,051</u>
Net book value		
At 28 February 2019	<u>7,565</u>	<u>7,565</u>
At 28 February 2018	<u>12,314</u>	<u>12,314</u>

10. Debtors

	2019 \$	2018 \$
Due within one year		
Trade debtors	417,680	315,471
Amounts owed by group undertakings	332,463	25,869
Prepayments and accrued income	40,439	63,487
Other debtors	44,569	-
Tax recoverable	-	7,238
Other taxation and social security	201,323	-
	<u>1,036,474</u>	<u>412,065</u>

11. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and in hand	124,986	50,375
	<u>124,986</u>	<u>50,375</u>

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

12. Creditors: Amounts falling due within one year

	2019 \$	2018 \$
Trade creditors	129,566	155,634
Amounts owed to group undertakings	288,614	66,364
Corporation tax	29,701	-
Accruals and deferred income	102,070	115,997
	<u>549,951</u>	<u>337,995</u>

13. Deferred taxation

	Deferred tax \$
At 1 March 2018	(897)
Charged to profit or loss	492
Foreign exchange movement	35
At 28 February 2019	<u>(370)</u>

The provision for deferred taxation is made up as follows:

	2019 \$	2018 \$
Accelerated capital allowances	326	(57)
Short term timing differences	(696)	(840)
	<u>(370)</u>	<u>(897)</u>

14. Share capital

	2019 \$	2018 \$
Allotted, called up and fully paid		
51,000 (2018: 51,000) Ordinary shares of £1 each	<u>77,384</u>	<u>77,384</u>

HARVEST ENERGY AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

15. Reserves

Foreign exchange reserve

This reserve records the exchange differences on translating operations from functional to reporting currency.

Profit and loss account

Profit and loss account includes all current year and prior year retained profits and losses.

Share Capital

The nominal value of allotted and fully paid up ordinary share capital.

16. Commitments under operating leases

At 28 February 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 \$	2018 \$
Land and buildings		
Not later than 1 year	106,573	106,658
Total	<u>106,573</u>	<u>106,658</u>

17. Post balance sheet events

There have been no significant events affecting the company since the year end.

18. Controlling party

The company's immediate parent undertaking is Harvest Energy Group Limited, a company registered in England and Wales. The company's ultimate parent undertaking is State Oil Limited, a company registered in England and Wales. The largest and smallest group for which consolidated financial statements have been prepared is that headed by State Oil Limited. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling parties were Mr W S Soosaipillai and Mrs A Soosaipillai by virtue of being joint shareholders of the ultimate parent company.