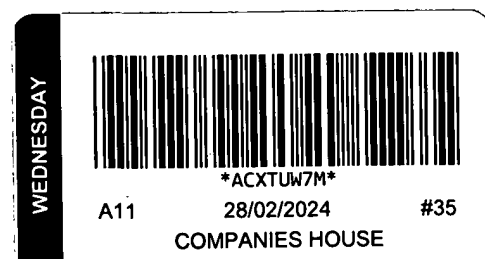


Registered number: 08655019

**HARVEST ENERGY AVIATION LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**



## **HARVEST ENERGY AVIATION LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	Mr Winston Sanjeevkumar Soosaipillai
<b>Company secretary</b>	Elemental CoSec Limited
<b>Registered number</b>	08655019
<b>Registered office</b>	Harvest House Horizon Business Village 1 Brooklands Road Weybridge Surrey KT13 0TJ
<b>Independent auditor</b>	KPMG LLP Global House High Street Crawley RH10 1DQ
<b>Banker</b>	HSBC Bank Plc Canary Wharf London E14 5HQ
<b>Solicitor</b>	Linklaters LLP One Silk Street London EC2Y 8HQ

# **HARVEST ENERGY AVIATION LIMITED**

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**HARVEST ENERGY AVIATION LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

The directors present their report for the year ended 28 February 2023.

**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 loss for the year, after taxation, amounted to \$810,646 (2022 – profit \$1,742,561).

During the year the company paid dividends of \$928,780 (2022 – nil).

**Directors**

The director who served during the year was:

Mr Winston Sanjeevkumar Soosaipillai

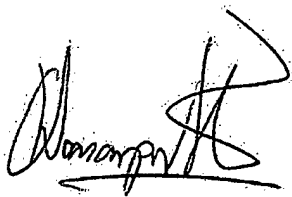
**Disclosure of information to auditors**

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

**Small companies note**

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

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



Mr Winston Sanjeevkumar Soosaipillai  
Director

Date: 26 February 2024

Harvest House  
Horizon Business Village  
1 Brooklands Road  
Weybridge  
Surrey  
KT13 0TJ

## **HARVEST ENERGY AVIATION LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023**

#### **Directors' responsibilities statement**

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 (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. 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 judgments 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 they 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 fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARVEST ENERGY AVIATION LIMITED**

We have audited the financial statements of Harvest Energy Aviation Limited ("the Company") for the year ended 28 February 2023 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

### **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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARVEST ENERGY AVIATION LIMITED**

On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is made up of large volumes of low value transactions, with little judgement or complexity involved and there is limited pressure on management to achieve unexpected or unrealistic revenue targets.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and post close entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations with cash and material post close entries.

### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARVEST ENERGY AVIATION LIMITED**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, 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.

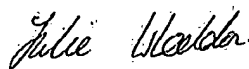
### **Auditor's responsibilities**

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **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*  
Global House  
High Street  
Crawley  
RH10 1DQ  
26 February 2024



# HARVEST ENERGY AVIATION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2023

	Note	2023 \$	2022 \$
Turnover	4	65,469,911	34,000,547
Cost of sales		(65,613,559)	(32,018,010)
<b>Gross (Loss)/profit</b>		<u>(143,648)</u>	<u>1,982,537</u>
Administrative expenses		(681,145)	(287,873)
Other operating income	5	14,205	28,014
<b>Operating (loss)/profit</b>		<u>(810,588)</u>	<u>1,722,678</u>
Interest receivable and similar income	6	-	20,058
<b>(Loss)/Profit before tax</b>	7	<u>(810,588)</u>	<u>1,742,736</u>
Tax on (loss)/profit	9	(58)	(175)
<b>(Loss)/Profit for the financial year</b>		<u><u>(810,646)</u></u>	<u><u>1,742,561</u></u>

The notes on pages 10 to 20 form part of these financial statements.

**HARVEST ENERGY AVIATION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	2023 \$	2022 \$
(Loss)/Profit for the financial year	(810,646)	1,742,561
<b>Other comprehensive income:</b>		
Currency translation differences	(268,077)	(84,434)
<b>Total comprehensive income for the year</b>	<u><u>(1,078,723)</u></u>	<u><u>1,658,127</u></u>

The notes on pages 10 to 20 form part of these financial statements.


# HARVEST ENERGY AVIATION LIMITED

## BALANCE SHEET AS AT 28 FEBRUARY 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Inventories	11	4,046,742	
Debtors: amounts falling due within one year	12	24,465,554	3,291,434
Cash at bank and in hand	13	601,207	315,407
		<u>29,113,503</u>	<u>3,606,841</u>
Creditors: amounts falling due within one year	14	(28,329,389)	(815,224)
<b>Net current assets</b>		<u>784,114</u>	<u>2,791,617</u>
<b>Total assets less current liabilities</b>		<u>784,114</u>	<u>2,791,617</u>
<b>Net assets</b>		<u><u>784,114</u></u>	<u><u>2,791,617</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	77,384	77,384
Foreign exchange reserve		(188,556)	79,521
Profit and loss account		895,286	2,634,712
		<u><u>784,114</u></u>	<u><u>2,791,617</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 February 2024.



**Mr Winston Sanjeevkumar Soosaipillai**  
Director

The notes on pages 10 to 20 form part of these financial statements.

# HARVEST ENERGY AVIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2023

	Called up share capital	Foreign exchange reserve	Profit and loss account	Total equity
	\$	\$	\$	\$
<b>At 1 March 2021</b>	77,384	163,955	892,151	1,133,490
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,742,561	1,742,561
Currency translation differences	-	(84,434)	-	(84,434)
<b>Total comprehensive income for the year</b>	-	(84,434)	1,742,561	1,658,127
<b>At 1 March 2022</b>	77,384	79,521	2,634,712	2,791,617
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(810,646)	(810,646)
Currency translation differences	-	(268,077)	-	(268,077)
<b>Total comprehensive income for the year</b>	-	(268,077)	(810,646)	(1,078,723)
<i>Transactions with owners recorded directly in equity</i>				
Dividends: Equity capital	-	-	(928,780)	(928,780)
<b>At 28 February 2023</b>	<u>77,384</u>	<u>(188,556)</u>	<u>895,286</u>	<u>784,114</u>

The notes on pages 10 to 20 form part of these financial statements.

## **HARVEST ENERGY AVIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023**

#### **1. General information**

Harvest Energy Aviation Limited is a limited liability company incorporated in England and Wales. The registered office is Harvest 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

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 the 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 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 prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Harvest House, Horizons Business Village, 1 Brooklands Road, Weybridge, KT13 0TJ.

##### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- Cash Flow Statements and related notes;
- Certain disclosures regarding revenue;
- Comparative period reconciliation's for share capital and tangible fixed assets;
- the effect of new but not effective IFRSs;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures in respect of transactions with wholly owned subsidiaries
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- Certain disclosures regarding leases;
- Disclosures in respect of capital management;
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of State Oil Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets.

## **HARVEST ENERGY AVIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023**

#### **2.3 Going concern**

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company is part of a Group whose customers operate in a wide range of different sectors. The Group has prepared detailed base forecasts and downside scenarios to perform stress tests, taking into account, key uncertainties and risks that could impact Group's financial performance. Stress testing specifically focused on impact on volume demand, market volatility and variations in interest rates.

The directors have prepared financial forecasts including cashflow forecasts for the Group for at least 12 months from the date of signing these financial statements which include reasonably possible downside scenarios arising from the inflationary pressures generated by Russia's invasion of Ukraine, uncertainty around interest rates and reliability at the refinery. Having carried out extensive analysis and assessment of various risks on the business, the directors are satisfied that the Group and the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on State Oil Limited providing additional financial support during that period. State Oil Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due and continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore have been prepared on a going concern basis.

#### **2.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes but including fuel duty. Revenue is recognised at the point of sale.

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

## **HARVEST ENERGY AVIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023**

#### **Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### **Rendering of services**

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

#### **2.5 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

#### **2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## **HARVEST ENERGY AVIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023**

#### **2.7 Debtors**

Short-term debtors are measured at transaction price, less any expected credit losses. 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 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **2.10 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

#### **2.11 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

##### **Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.



## **HARVEST ENERGY AVIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023**

#### **Impairment of financial assets**

The Company always recognises lifetime Expected Credit Loss (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

#### **Financial liabilities**

##### **Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

##### **At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

### **3. Judgments 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 expected credit losses.

# HARVEST ENERGY AVIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

### 4. Turnover

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

	2023 \$	2022 \$
Sale of Avgas and Jet A1	65,469,911	34,000,547
	<u>65,469,911</u>	<u>34,000,547</u>

Analysis of turnover by country of destination:

	2023 \$	2022 \$
United Kingdom	65,469,911	34,000,547
Rest of the world	-	-
	<u>65,469,911</u>	<u>34,000,547</u>

### 5. Other operating income

	2023 \$	2022 \$
Sundry income	14,205	28,014
	<u>14,205</u>	<u>28,014</u>

### 6. Interest receivable and similar income

	2023 \$	2022 \$
Interest receivable from external parties	-	20,058

# HARVEST ENERGY AVIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

### 7. Auditor's remuneration

	2023 \$	2022 \$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>30,203</u>	<u>27,287</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent Company.

### 8. Employees

The Company has no employees.

Directors' emoluments are borne by the parent company. The proportion of Directors' emoluments attributable to this company are \$104,592 (2022 - \$93,000)

### 9. Taxation

	2023 \$	2022 \$
<b>Corporation tax</b>		
Current tax on profits for the year	-	280
<b>Total current tax</b>	<u>-</u>	<u>280</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	58	121
Changes to tax rates	-	(226)
<b>Total deferred tax</b>	<u>58</u>	<u>(105)</u>
<b>Taxation on profit on ordinary activities</b>	<u>58</u>	<u>175</u>

# HARVEST ENERGY AVIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 \$	2022 \$
(Loss)/Profit on ordinary activities before tax	<u>(810,588)</u>	<u>1,742,736</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(154,012)	331,120
<b>Effects of:</b>		
Expenses not deductible for tax purposes	42,994	-
Adjustments to tax charge in respect of prior periods	-	279
Remeasurement of deferred tax for change in tax rates	14	(198)
Group relief claimed	111,062	(331,026)
<b>Total tax charge for the year</b>	<u><u>58</u></u>	<u><u>175</u></u>

### Factors that may affect future tax charges

The UK's main corporation tax rate will increase from 19% to 25%, effective 1 April 2023. This law was substantively enacted by the Balance Sheet date and is therefore included in the measurement of deferred taxation in these financial statements. Further changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future.

# HARVEST ENERGY AVIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

### 10. Tangible fixed assets

	Plant and machinery \$
<b>Cost of valuation</b>	
At 1 March 2022	<u>22,719</u>
At 28 February 2023	<u>22,719</u>
<b>Depreciation</b>	
At 1 March 2022	<u>22,719</u>
At 28 February 2023	<u>22,719</u>
<b>Net book value</b>	
At 1 March 2022	<u>-</u>
At 28 February 2023	<u>-</u>

### 11. Stocks

	2023 \$	2022 \$
Finished goods and goods for resale	<u>4,046,742</u>	<u>-</u>
	<u>4,046,742</u>	<u>-</u>

### 12. Debtors

	2023 \$	2022 \$
Trade debtors	3,587,865	458,851
Amounts owed by group undertakings	1,376,690	2,694,826
Other debtors	3,626,848	136,955
Prepayments and accrued income	15,873,485	-
Deferred taxation	666	802
	<u>24,465,554</u>	<u>3,291,434</u>

# HARVEST ENERGY AVIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

### 13. Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and in hand	601,207	315,407
	<u>601,207</u>	<u>315,407</u>

### 14. Creditors: Amounts falling due within one year

	2023 \$	2022 \$
Trade creditors	140,260	518,046
Amounts owed to group undertakings	24,185,180	221,295
Accruals and deferred income	4,003,949	75,883
	<u>28,329,389</u>	<u>815,224</u>

# HARVEST ENERGY AVIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

### 15. Deferred taxation

	2023 \$
At the beginning of the year	802
Charged to profit or loss	(58)
Foreign exchange	(78)
	<u>666</u>

The deferred tax asset is made up as follows:

	2023 \$	2022 \$
Fixed asset temporary differences	976	1,319
Short term temporary differences	(310)	(517)
	<u>666</u>	<u>802</u>

### 16. Share capital

	2023 \$	2022 \$
<b>Allotted, called up and fully paid</b>		
51,000 (2022 - 51,000) Ordinary share capital shares of £1.00 each	<u>77,384</u>	<u>77,384</u>

### 17. 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 Prax Group Holdings Limited, a company registered in England and Wales. The largest group for which consolidated financial statements have been prepared is that headed by Prax Group Holdings Limited. The 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 Winston Sanjeevkumar Soosaipillai and Mrs Arani Soosaipillai by virtue of being majority shareholders of the ultimate parent company.