
MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

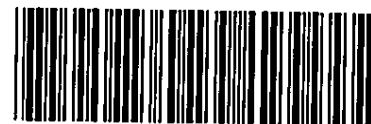
FOR THE YEAR ENDED 31 DECEMBER 2012

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ASSISTANT SECRETARY

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COMPANIES HOUSE

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

J P Buxton
M Daniels (resigned 8 May 2012)
A Ibrahim (resigned 1 April 2012)
J McMillan
R Squitieri (appointed 1 October 2012)
D B Stokes (appointed 8 May 2012)
D Storey (resigned 1 August 2012)
P Westerman (appointed 1 April 2012)

COMPANY SECRETARY

A Clarke

REGISTERED NUMBER

2731538

REGISTERED OFFICE

ExxonMobil House
Ermyrn Way
Leatherhead
Surrey
KT22 8UX

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

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MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activities of Manchester Airport Storage and Hydrant Company Limited (the "Company") are the storage of aviation fuel and the operation of hydrant systems at Manchester Airport.

Review of Company Business

The operating profit for the financial year increased by £144k.

The Company has net assets of £2,107k (2011 - £4,067k).

Principal risks and uncertainties

The Company's principal risks and uncertainties comprise health and safety, environment and financial risks. The Company's policies relating to Financial Risk Management, Health and Safety and Environment are set out in the paragraphs below.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis of the financial statements using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,216k (2011 - £1,306k)

£3,200k dividends were recommended by the directors and paid during the year (2011 - £1,000k)

FUTURE DEVELOPMENTS

The Company intends to continue to provide storage and operate the hydrant systems at Manchester Airport. The lease expired on 31 December 2012. Since then, the company has continued to operate while the new lease is being negotiated and it is expected that the lease will be renewed. The terms of the lease continue to roll-over into 2013 due to the application of the Security of tenure provisions in Part 2 of the Landlord and Tenant Act 1954. The Act continues the term beyond 31 December 2012 unless and until a section 25 notice is served or section 26 request is made and the Company fails to make an application to the court for a statutory renewal by the date specified in the notice/request. No such notices or requests have been served or made.

DIRECTORS

The directors who served during the year were

J P Buxton
M Daniels (resigned 8 May 2012)
A Ibrahim (resigned 1 April 2012)
J McMillan
R Squitieri (appointed 1 October 2012)
D B Stokes (appointed 8 May 2012)
D Storey (resigned 1 August 2012)
P Westerman (appointed 1 April 2012)

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks from a variety of factors that include credit, liquidity, interest rates and foreign exchange.

Credit risk - The Company has implemented policies and procedures which require appropriate credit checks on potential customers before sales are made. The Company also has systems and processes to ensure the ongoing monitoring of customer credit worthiness and has in place procedures to enable it to respond where change in customer credit risk is detected.

Liquidity risk - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. It is the directors' understanding that the investee companies will continue to provide suitable resources to the Company to meet its needs. The Company has a process in place to monitor the best financing structure and periodically reviews its strategies. Following such review, loans may be repaid prior to their maturity date or extended or replaced by alternative funding arrangements.

Interest rate risk - The Company can have both interest bearing assets and liabilities, these are generally held at floating rates. The Company monitors its portfolio of interest bearing assets and liabilities and their financial impact. The Company will reconsider the appropriate structure of its portfolio should operations change in size or nature.

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

Foreign exchange risk - The Company may have assets and liabilities denominated in foreign currencies, predominantly the US Dollar and the Euro. No derivative financial instruments are used to manage the risk of fluctuating exchange rates, so no hedge accounting is applied.

HEALTH AND SAFETY

The Company's policy is to conduct its business in a manner that protects the safety of its employees, others involved in its operations, customers and the public. The Company strives to prevent all accidents, injuries and occupational illnesses through its Operations Integrity Management System. This is embedded into everyday work processes at all levels of the organisation and addresses all aspects of managing safety and health, as well as security, environmental and social risks at our facilities. The Company is committed to continuous efforts to identify and eliminate or manage health and safety risks associated with its activities.

ENVIRONMENTAL POLICY

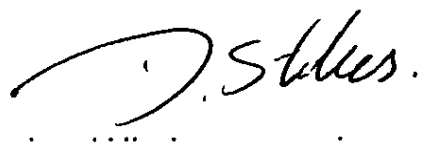
The Company has a policy to ensure that it conducts its business in a manner that is compatible with the balanced environmental and economic needs of the community. Further, it is the Company's policy to comply with all applicable environmental laws and regulations and apply responsible standards where laws and regulations do not exist.

PROVISION OF INFORMATION TO AUDITORS

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 auditors are 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 information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

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



D B Stokes
Director

Date 8 July 2013

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

We have audited the financial statements of Manchester Airport Storage and Hydrant Company Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER AIRPORT STORAGE AND
HYDRANT COMPANY LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



William Winter (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

8 July 2013

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
TURNOVER	2	7,504	7,429
Cost of Sales		<u>(5,604)</u>	<u>(5,673)</u>
OPERATING PROFIT	3	1,900	1,756
Interest receivable and similar income	7	7	5
Interest payable and similar charges	8	<u>(90)</u>	<u>(100)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,817	1,661
Tax on profit on ordinary activities	9	<u>(601)</u>	<u>(355)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>1,216</u>	<u>1,306</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account


The notes on pages 9 to 18 form part of these financial statements

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED
REGISTERED NUMBER: 2731538

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	2011 £000
FIXED ASSETS				
Tangible assets	10		584	3,230
CURRENT ASSETS				
Debtors	11	1,745		1,433
Cash at bank and in hand		3,122		3,060
		<u>4,867</u>		<u>4,493</u>
CREDITORS amounts falling due within one year	12	(1,501)		(1,728)
NET CURRENT ASSETS			<u>3,366</u>	<u>2,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,950</u>	<u>5,995</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	13	-		(150)
Other provisions	14	(1,867)		(1,778)
			<u>(1,867)</u>	<u>(1,928)</u>
NET ASSETS			<u><u>2,083</u></u>	<u><u>4,067</u></u>
CAPITAL AND RESERVES				
Called up share capital	15		-	-
Profit and loss account	16		<u>2,083</u>	<u>4,067</u>
SHAREHOLDERS' FUNDS	17		<u><u>2,083</u></u>	<u><u>4,067</u></u>

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



D B Stokes
 Director

Date 8 July 2013

The notes on pages 9 to 18 form part of these financial statements

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
Net cash flow from operating activities	19	4,634	4,903
Returns on investments and servicing of finance	20	6	(10)
Taxation		(794)	(954)
Capital expenditure and financial investment	20	(584)	(804)
Equity dividends paid		(3,200)	(1,000)
CASH INFLOW BEFORE FINANCING		62	2,135
Financing	20	-	(800)
INCREASE IN CASH IN THE YEAR		62	1,335

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £000	2011 £000
Increase in cash in the year	62	1,335
Debt and financing	-	800
MOVEMENT IN NET DEBT IN THE YEAR	62	2,135
Net funds at 1 January 2012	3,060	925
NET FUNDS AT 31 DECEMBER	3,122	3,060

The notes on pages 9 to 18 form part of these financial statements

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The ability of the Company to continue as a going concern is primarily dependent upon the right to operate at Manchester Airport. Although the lease expired on 31 December 2012, the terms of the lease continue to roll-over into 2013 due to the application of the Security of tenure provisions in Part 2 of the Landlord and Tenant Act 1954 and therefore the Company has the ability and intention to continue as a going concern.

The principal accounting policies which have been applied consistently across the Company from one financial year to the next are set out below.

1.2 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	Over the term of the lease at Manchester Airport
Assets under construction	-	Not depreciated until brought into use

1.4 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Interest

All interest is charged to the profit and loss account.

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.7 Provisions

Under FRS12, provision is made for the net present cost of site remediation. Correspondingly a tangible fixed asset is recognised in respect of the site restoration, which is subject to amortisation charges on a straight line basis over the principal period of the lease.

Notional interest charges arise over time based on the unwinding of discounted provisions and these are recognised in the profit and loss for the year.

2. TURNOVER

The Directors consider the Company to have a single class of business as the Company's activities consist solely of the operation of the storage and hydrant facility in Manchester Airport.

All turnover arose in the UK. Accordingly, no segmental disclosures have been made.

3. OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£000	£000
Depreciation of tangible fixed assets		
- owned by the company	3,230	3,142
Operating lease rentals		
- other operating leases	775	775
	<u>775</u>	<u>775</u>

4. AUDITORS' REMUNERATION

	2012	2011
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	16	9
	<u>16</u>	<u>9</u>

5. STAFF COSTS

Staff costs were as follows

	2012	2011
	£000	£000
Staff costs	297	330
	<u>297</u>	<u>330</u>

The Company has no employees (2011 - Nil). Staff are seconded from other ExxonMobil undertakings.

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

6 DIRECTORS' REMUNERATION

The directors received no emoluments in respect of their services to the Company during the year (2011 - £Nil)

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£000	£000
Other interest receivable	<u>7</u>	<u>5</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£000	£000
On bank loans and overdrafts	1	15
Unwinding of discount on decommissioning liability	89	85
	<u>90</u>	<u>100</u>

9. TAXATION

	2012	2011
	£000	£000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,124	1,185
Adjustments in respect of prior periods	35	(285)
Total current tax	<u>1,159</u>	<u>900</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(558)	(545)
Tax on profit on ordinary activities	<u>601</u>	<u>355</u>

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - *higher than*) the average standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012	2011
	£000	£000
Profit on ordinary activities before tax	1,817	1,661
Profit on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	445	440
Effects of:		
Depreciation for year in excess of capital allowances	679	745
Adjustments to tax charge in respect of prior periods	35	(285)
Current tax charge for the year (see note above)	1,159	900

Legislation was enacted in July 2012 to reduce the UK statutory corporation tax rate to 24% from 1 April 2012 and to 23% from 1 April 2013

The Chancellor's Autumn Statement to Parliament in December 2012 announced a reduction to the UK statutory corporation tax rate, to 21% effective 1 April 2014, and the March 2013 Budget Statement announced a further reduction, to 20% effective 1 April 2015. As these proposed further reductions in the rate have not been substantively enacted at the balance sheet date, they have not been included in these financial statements

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

10 TANGIBLE ASSETS

	Plant & machinery £000	Other fixed assets £000	Total £000
Cost			
At 1 January 2012	22,483	934	23,417
Additions	-	584	584
At 31 December 2012	<u>22,483</u>	<u>1,518</u>	<u>24,001</u>
Depreciation			
At 1 January 2012	19,455	732	20,187
Charge for the year	3,028	202	3,230
At 31 December 2012	<u>22,483</u>	<u>934</u>	<u>23,417</u>
Net book value			
At 31 December 2012	<u>-</u>	<u>584</u>	<u>584</u>
At 31 December 2011	<u>3,028</u>	<u>202</u>	<u>3,230</u>

The plant and machinery assets above have been depreciated over the lease term in line with the accounting policy and are therefore fully depreciated as at 31 December 2012. However, the company has continued to operate while the new lease is being negotiated and the assets are still in use.

11. DEBTORS

	2012 £000	2011 £000
Due after more than one year		
Other debtors	300	300
Deferred tax asset (see note 13)	408	-
Due within one year		
Trade debtors	773	887
Other debtors	264	246
	<u>1,745</u>	<u>1,433</u>

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

12 CREDITORS:

Amounts falling due within one year

	2012	2011
	£000	£000
Corporation tax	516	151
Other creditors	673	315
Accruals and deferred income	312	1,262
	<u>1,501</u>	<u>1,728</u>

13 DEFERRED TAXATION

	2012	2011
	£000	£000
At beginning of year	(150)	(695)
Movement during year	558	545
	<u>408</u>	<u>(150)</u>

The deferred taxation balance is made up as follows

	2012	2011
	£000	£000
Accelerated depreciation/(capital allowances)	<u>408</u>	<u>(150)</u>

The deferred tax asset has been recognised as it is expected that the lease will be renewed and the Company will continue to operate and be profitable for the foreseeable future

The overall effect of the proposed changes of the UK statutory corporation tax rate from 24% to 20% are not expected to be significant if applied to the deferred tax balance at the balance sheet date

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

14 PROVISIONS FOR LIABILITIES

	Other Provisions £000
At 1 January 2012	1,778
Unwinding of discount on decommissioning liability	89
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At 31 December 2012	1,867
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Other Provisions

Provisions relate to the decommissioning costs when the Company's lease at Manchester Airport expired at the end of 2012. As the lease renewal negotiations are currently still underway, the timing of decommissioning is uncertain and it is anticipated that the provision will be revised during 2013 to take this into account.

The liabilities are in accordance with FRS12, and are calculated at present value using a discount rate of 5%.

15 SHARE CAPITAL

	2012 £	2011 £
Authorised		
1,000 (2011 - 1,000) Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
100 (2011 - 100) Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

16. RESERVES

	Profit and loss account £000
At 1 January 2012	4,067
Profit for the year	1,216
Dividends paid on equity capital	(3,200)
	<hr/>
At 31 December 2012	2,083
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MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	4,067	3,761
Profit for the year	1,216	1,306
Dividends (Note 18)	(3,200)	(1,000)
Closing shareholders' funds	2,083	4,067

18 DIVIDENDS

	2012 £000	2011 £000
Dividends recommended by the directors and paid on equity capital	3,200	1,000

19 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £000	2011 £000
Operating profit	1,900	1,756
Depreciation of tangible fixed assets	3,230	3,142
Decrease/(increase) in debtors	96	(71)
(Decrease)/increase in creditors	(592)	76
Increase in provisions	89	85
Unwinding of discount on decommissioning	(89)	(85)
Net cash inflow from operating activities	4,634	4,903

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £000	2011 £000
Returns on investments and servicing of finance		
Interest received	7	5
Interest paid	(1)	(15)
Net cash inflow/(outflow) from returns on investments and servicing of finance	6	(10)

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2012 £000	2011 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(584)	(804)
	2012 £000	2011 £000
Financing		
Repayment of loans	-	(800)

21. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £000	Cash flow £000	Other non-cash changes £000	31 December 2012 £000
Cash at bank	3,060	62	-	3,122
Net funds	3,060	62	-	3,122

22. OPERATING LEASE COMMITMENTS

At 31 December the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £000	2011 £000
Expiry date:		
Within 1 year	-	775

The lease expired on 31 December 2012. Since then, the company has continued to operate while the new lease is being negotiated and it is expected that the lease will be renewed.

MANCHESTER AIRPORT STORAGE AND HYDRANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

23. RELATED PARTY TRANSACTIONS

During the financial year, the Company entered into sales and purchasing transactions with its related parties

The related parties, as defined by FRS8, the nature of the relationship and the extent of the transactions with them are summarised below. The directors consider these transactions to be at arm's length.

The following table details balances due from and to related parties divided between trade and loan accounts at the balance sheet date in accordance with the disclosure requirements of FRS8

	2012	2011
	£000	£000
Trade accounts receivable		
BP International Limited	1	4
Kuwait Petroleum (UK Holdings) Limited	98	73
Shell UK Limited	528	641
Trade accounts payable		
Esso Petroleum Company, Limited	(970)	(678)

Throughput Fees

These are charges by Manchester Airport Storage and Hydrant Company Limited for the throughput of the related parties product

	2012	2011
	£000	£000
BP International Limited	21	23
Esso Petroleum Company, Limited	-	13
Kuwait Petroleum (UK Holdings) Limited	1,393	1,031
Shell UK Ltd	4,043	4,837

The companies above all have an equal holding of the equity in Manchester Airport Storage and Hydrant Company Limited

Operating expenses

Esso Petroleum Company, Limited incurs costs, including capital expenditure, as operator of Manchester Airport Storage and Hydrant Company Limited, which are recharged

	2012	2011
	£000	£000
Esso Petroleum Company, Limited	4,610	3,913