

FAIROAKS OPERATIONS LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
PAGES FOR FILING WITH REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2017
Company Registration No. 08007021 (England and Wales)

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	-	-
Tangible assets	5	7,965	10,931
		<u>7,965</u>	<u>10,931</u>
Current assets			
Stocks	6	24,451	38,609
Debtors: amounts falling due within one year	7	223,304	226,704
Cash at bank and in hand	8	89,837	40,965
		<u>337,592</u>	<u>306,278</u>
Creditors: amounts falling due within one year	9	(1,378,965)	(1,300,856)
Net current liabilities		<u>(1,041,373)</u>	<u>(994,578)</u>
Total assets less current liabilities		<u>(1,033,408)</u>	<u>(983,647)</u>
Net liabilities		<u>(1,033,408)</u>	<u>(983,647)</u>
Capital and reserves			
Called up share capital		3	3
Profit and loss account		(1,033,411)	(983,650)
		<u>(1,033,408)</u>	<u>(983,647)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and mem Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to a preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies r

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to com companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2017.

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Mr C Hobbs

Director

The notes on pages 2 to 8 form part of these financial statements.

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Fairoaks Operations Limited is a private limited company registered in England and Wales. The Company's registered number is 08551101. The Company's registered office is 1st Floor, 7-10 Chandos Street, London, W1G 9DQ.

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 statements in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 measured reliably. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership in goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life is considered to be indefinite.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any 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.

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.

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight line over the term of the lease
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, when a significant change occurs 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 Statement of retained earnings.

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.5 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. In assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment in prior periods may no longer exist or may have decreased.

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 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 net realisable value. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value 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 three months. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are subject to insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities. For example, debtors and creditors, 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, 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 debtors and creditors, are measured, initially and subsequently, at the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument differ from those 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 cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Creditors

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

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis o

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incen before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent re the lease.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under wh contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Am accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently ac

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2016 - 12).

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2016	404,218
At 31 March 2017	<u>404,218</u>
Amortisation	
At 1 April 2016	404,218
At 31 March 2017	<u>404,218</u>
Net book value	
At 31 March 2017	<u><u>-</u></u>
At 31 March 2016	<u><u>-</u></u>

5. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 1 April 2016	22,005	88,815	110,820
Additions	-	3,580	3,580
At 31 March 2017	<u>22,005</u>	<u>92,395</u>	<u>114,400</u>
Depreciation			
At 1 April 2016	20,750	79,139	99,889
Charge for the year on owned assets	1,255	5,291	6,546
At 31 March 2017	<u>22,005</u>	<u>84,430</u>	<u>106,435</u>
Net book value			
At 31 March 2017	<u><u>-</u></u>	<u><u>7,965</u></u>	<u><u>7,965</u></u>
At 31 March 2016	<u><u>1,255</u></u>	<u><u>9,676</u></u>	<u><u>10,931</u></u>

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>24,451</u>	<u>38,609</u>

7. Debtors

	2017 £	2016 £
Trade debtors	89,200	84,889
Other debtors	5,371	6,774
Prepayments and accrued income	128,733	135,041
	<u>223,304</u>	<u>226,704</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>89,837</u>	<u>40,965</u>

Cash at bank and in hand is measured at fair value, which is calculated as amounts held on deposit at banks employed by the company less any impairments. No impairments to cash balances have been made in these accounts as all cash deposits are held at credible financial institutions.

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	126,276	147,932
Amounts owed to group undertakings	1,001,806	1,010,306
Other taxation and social security	24,457	19,513
Other creditors	1,783	1,645
Accruals and deferred income	224,643	121,460
	<u>1,378,965</u>	<u>1,300,856</u>

FAIROAKS OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
3 Ordinary shares shares of £1 each	<u>3</u>	<u>3</u>

11. Pension commitments

The company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and a £13,193. Contributions totalling £1,783 (2016: £1,580) were payable to the fund at the balance sheet date and are included in the statement of financial position.

12. Related party transactions

During the year Albemarle Fairoaks Airport Limited, the parent of Fairoaks Operations Limited, advanced amounts to the company totalling £201,500 (2016: £10,000) and received amounts totalling £210,000 (2016: £10). As at the balance sheet date, the company owed Albemarle Fairoaks Airport Limited £1,001,806 (2016: £1,010,306).

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.