FAIROAKS OPERATIONS LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

PAGES FOR FILING WITH REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2018

Company Registration No. 08007021 (England and Wales)

FAIROAKS OPERATIONS LIMITED

COMPANY INFORMATION

Directors	Mr C Hobbs Albemarle Fairoaks Airport Limited Mrs E Wallis
Company secretary	Mr S Wood
Registered number	08007021
Registered office	1st Floor 7-10 Chandos Street London W1G 9DQ
Accountants	Blick Rothenberg Limited 1st Floor 7-10 Chandos Street London W1G 9DQ

FAIROAKS OPERATIONS LIMITED

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REGISTERED NUMBER:08007021

FAIROAKS OPERATIONS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2018

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	4		-		-
Tangible assets	5		11,373		7,965
			11,373		7,965
Current assets					
Stocks	6	52,094		24,451	
Debtors: amounts falling due within one year	7	237,241		223,304	
Cash at bank and in hand	8	69,134		89,837	
		358,469		337,592	
Creditors: amounts falling due within one year	9	(1,415,255)		(1,378,965)	
Net current liabilities			(1,056,786)		(1,041,373)
Total assets less current liabilities			(1,045,413)		(1,033,408)
Net liabilities			(1,045,413)		(1,033,408)
Capital and reserves					
Called up share capital	10		3		3
Profit and loss account			(1,045,416)		(1,033,411)
			(1,045,413)		(1,033,408)

FAIROAKS OPERATIONS LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the 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 accounting records and the preparation of financial statements.

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

The Company has opted not to file the statement of income and retained earnings in accordance with 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 C Hobbs
Director

Date: 18 December 2018

The notes on pages 3 to 10 form part of these financial statements.

1. General information

Fairoaks Operations Limited is a private limited company registered in England and Wales. The Company's registered number is 08007021 and 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 accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

As at the balance sheet date the Company had net liabilities totalling £1,045,413 (2017: £1,033,408). The accounts have been prepared on a going concern basis as the Company has the continued support of its parent company and principal creditor Albemarle Fairoaks Airport Limited.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2. Accounting policies (continued)

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, excluding discounts, rebates, value added tax and other sales 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 nor effective control over the 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 stage of completion of 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.

2.5 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 over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another 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 incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed 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. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any 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 shall not exceed ten years.

2.8 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.

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, 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 Statement of income and retained earnings.

2. Accounting policies (continued)

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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 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 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 debtors and creditors, 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

2. Accounting policies (continued)

2.14 Financial instruments (continued)

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.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2017 - 12).

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2017	404,218
At 31 March 2018	404,218
Amortisation	
At 1 April 2017	404,218
At 31 March 2018	404,218
Net book value	
At 31 March 2018	-
At 31 March 2017	-

5. Tangible fixed assets

	Land and buildings	Other fixed assets	Total
	£	£	£
Cost or valuation			
At 1 April 2017	22,005	92,395	114,400
Additions	-	7,822	7,822
At 31 March 2018	22,005	100,217	122,222
Depreciation			
At 1 April 2017	22,005	84,430	106,435
Charge for the year on owned assets	-	4,414	4,414
At 31 March 2018	22,005	88,844	110,849
Net book value			
At 31 March 2018	-	11,373	11,373
At 31 March 2017	-	7,965	7,965

6. Stocks

	2018	2017
	£	£
Finished goods and goods for resale	52,094	24,451

7. Debtors

	2018	2017
	£	£
Trade debtors	125,947	89,200
Other debtors	8,621	5,371
Prepayments and accrued income	102,673	128,733
	237,241	223,304

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	69,134	89,837

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

	2018 £	2017 £
Trade creditors	153,241	126,276
Amounts owed to group undertakings	926,806	1,001,806
Other taxation and social security	18,304	24,457
Other creditors	1,764	1,783
Accruals and deferred income	315,140	224,643
	1,415,255	1,378,965

10. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
3 (2017 - 3) Ordinary shares shares of £1.00 each	3	3

11. Pension commitments

The Company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £20,468 (2017: £13,503). Contributions totalling £1,763 (2017: £1,783) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

During the year Albemarle Fairoaks Airport Limited, the parent of Fairoaks Operations Limited, advanced amounts to the Company totalling £165,000 (2017: £201,500) and received amounts totalling £90,000 (2017: £210,000). As at the balance sheet date, the Company owed Albemarle Fairoaks Airport Limited £926,806 (2017: £1,001,806).

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.