

Registered number 2652781

Airparks Services Limited

Directors' report and financial statements

for the year ended 31 March 2010

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Airparks Services Limited

Company Information

Directors

S D Lawrence
P Humphrey
C M Beare
M G Pack (appointed 2 April 2009)
H Dove (appointed 1 December 2009)

Company secretary

C M Beare

Company number

2652781

Registered office

Willow House
Pinewood Business Park
Marston Green
Solihull
B37 7HG

Auditors

Reeves + Neylan LLP
Chartered Accountants & Statutory Auditors
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Barclays Bank Plc
66 High Street
Ashford
Kent
TN24 8TL

Airparks Services Limited

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Airparks Services Limited

Directors' report for the year ended 31 March 2010

The directors present their report and the financial statements for the year ended 31 March 2010

Statement of directors' responsibilities

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 estimates that are reasonable and prudent,
- 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 company's principal activity during the period was the provision of off site airport parking facilities.

Business review

The travel industry suffered a recession in 2009 which saw a decline in passenger numbers going through UK airports. Together with a very competitive environment this has resulted in a challenging year for the company. Whilst revenues were down on the previous year the company is satisfied with the trading results in the context of the market and is confident of its future prospects in the airport parking sector.

The company effected an early termination of a lease on one of its sites during the year (see note 20). The cost associated with this termination is shown as an exceptional item in (see note 7). The company is satisfied that the termination of this lease will be for the long-term commercial benefit of the business.

In order to meet its day to day working capital requirements the company will rely upon support provided by fellow group companies, as and when the need arises.

After making enquiries, the directors have a reasonable expectation that the company will have adequate resources together with the continued support of its fellow group companies to continue in operational existence for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Results

The loss for the year, after taxation, amounted to £833,000 (2009 - profit £936,000)

Operating profit for the year amounted to £535,000 (2009 £914,000)

During the year, the company incurred exceptional expenditure of £1,384,000 (2009 £NIL) in relation to the termination of a site lease.

Airparks Services Limited

Directors' report for the year ended 31 March 2010

Directors

The directors who served during the year were

S D Lawrence
P Humphrey
C M Beare
M G Pack (appointed 2 April 2009)
H Dove (appointed 1 December 2009)

Financial instruments

The company finances its operation through various financial instruments comprising bank balances, trade debtors, trade creditors

Due to the nature of the financial instruments used by the company during the year there is no exposure to price risk

The company's approach to managing other risks applicable to the financial instruments concerned is shown below

The company ensures its liquidity is maintained by entering into short term financial instruments to support operational and other funding requirements. The company's liquidity management process includes projecting cashflows and considering the level of liquid assets. Liquid assets surplus to immediate operating requirements of the company are generally invested in money market facilities

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

Employee involvement

The company prides itself on recognising the value of its people and invests in training and development, the working environment and a fun culture to ensure that staff remain skilled, motivated and engaged

Employees are involved in generating the company's value statement, which underpin its culture, performance management and rewards

A reflection of the above is that the company has been accredited by Investors In People

The company communicates and consults with all employees via regular business briefings, staff forum and its Intranet

During the year, 227 full-time and part-time staff were employed by the company, generating an average turnover of £40,000 each

Airparks Services Limited

Directors' report for the year ended 31 March 2010

Employment policies

The company's employment policies have been designed to guarantee that everyone is treated in a fair and consistent manner. They have been developed to ensure that everyone is aware of what is expected of him or her and what the employer offers in return.

The company is an equal opportunities employer and is committed to achieving and maintaining a workforce which is representative of the local community in terms of race, colour, nationality, sex, age, sexual orientation, marital status and disability.

In the event of existing staff members becoming disabled, every effort is made to enable them to maintain their present position or to provide appropriate training and employ them in suitable work within another department.

Environmental reporting

The company takes seriously its responsibility to the environment, and is committed to minimising its' impact on the environment.

However, the directors judge that the provision of detailed information on such matters is not necessary in order to gain an understanding of the business, so no detailed disclosures regarding environmental performance have been provided.

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.

Auditors

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

This report was approved by the board on 20 September 2010 and signed on its behalf



C M Beare
Director

Airparks Services Limited

Independent auditors' report to the shareholders of Airparks Services Limited

We have audited the financial statements of Airparks Services Limited for the year ended 31 March 2010, set out on pages 6 to 15. 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).

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 Auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities, 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 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.

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.

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 March 2010 and of its loss 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.

Airparks Services Limited

Independent auditors' report to the shareholders of Airparks Services 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

Reeves + Neylan LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Reeves + Neylan LLP

Chartered Accountants
Statutory Auditors

37 St Margaret's Street
Canterbury
Kent
CT1 2TU

21 September 2010

Airparks Services Limited

Profit and loss account for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Turnover	1,2	8,971	9,544
Cost of sales		<u>(7,027)</u>	<u>(7,099)</u>
Gross profit		1,944	2,445
Administrative expenses		(1,652)	(1,821)
Other operating income		<u>243</u>	<u>290</u>
Operating profit	3	535	914
Exceptional items			
Net loss on sale of tangible fixed assets	7	<u>(1,384)</u>	<u>-</u>
(Loss)/profit on ordinary activities before interest		(849)	914
Interest receivable		20	32
Interest payable	6	<u>-</u>	<u>(12)</u>
(Loss)/profit on ordinary activities before taxation		(829)	934
Tax on (loss)/profit on ordinary activities	8	<u>(4)</u>	<u>2</u>
(Loss)/profit for the financial year	15	<u>(833)</u>	<u>936</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account


The notes on pages 8 to 15 form part of these financial statements

Airparks Services Limited
Registered number: 2652781

Balance sheet
as at 31 March 2010

	Note	£000	2010 £000	£000	2009 £000
Fixed assets					
Tangible fixed assets	9		1,047		1,702
Current assets					
Stocks	10	22		-	
Debtors	11	1,727		2,274	
Cash at bank and in hand		1,069		672	
		<u>2,818</u>		<u>2,946</u>	
Creditors: amounts falling due within one year	12	(2,198)		(2,148)	
Net current assets			<u>620</u>		<u>798</u>
Total assets less current liabilities			<u>1,667</u>		<u>2,500</u>
Capital and reserves					
Called up share capital	14		1		1
Other reserves	15		(33)		(33)
Profit and loss account	15		1,699		2,532
Shareholders' funds	16		<u>1,667</u>		<u>2,500</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 September 2010


C M Beare
 Director


M G Pack
 Director

The notes on pages 8 to 15 form part of these financial statements

**Notes to the financial statements
for the year ended 31 March 2010**

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

In order to meet its day to day working capital requirements the company relies upon support provided by fellow group companies, as and when the need arises

The current economic conditions may create uncertainty over the level of demand for the group's products and therefore the timing of cashflows could vary significantly. The group has modelled these scenarios and has confirmed that there is sufficient headroom in the group's financial facilities

After making enquiries, the directors have a reasonable expectation that the company will have adequate resources together with the continued support of its fellow group companies to continue in operational existence for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of the provision of off site airport car parking for stay dates commencing during the accounting period, exclusive of Value Added Tax

Turnover represents revenue due from normal activities of the business to the extent that the seller obtains a right to consideration in exchange for its performance of those activities, exclusive of VAT

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a suitable allowance to recognise the uncertainties remaining in the completion of the obligations. Contingent income is recognised only when the contingent element is assured

1.5 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

Leasehold improvements	-	10-25% straight line or over term of lease
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

1. Accounting policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value

1.8 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

1.9 Pensions

Pension costs charged to the profit and loss account represent the amount of contributions payable to the group personal pension scheme in respect of the accounting period

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being the provision of off site airport car parking facilities

All turnover arose within the United Kingdom

3. Operating profit

The operating profit is stated after charging

	2010 £000	2009 £000
Depreciation of tangible fixed assets		
- owned by the company	245	296
Auditors' remuneration	7	7
Operating lease rentals		
- other operating leases	2,381	2,327

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2010 £000	2009 £000
Wages and salaries	3,682	3,671
Social security costs	343	352
Other pension costs	14	14
	<u>4,039</u>	<u>4,037</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No	2009 No
Administration and operational staff	<u>227</u>	<u>217</u>

5 Directors' remuneration

	2010 £000	2009 £000
Emoluments	<u>172</u>	<u>128</u>
Company pension contributions to money purchase pension schemes	<u>4</u>	<u>4</u>

During the year retirement benefits were accruing to 1 director (2009 - 1) in respect of money purchase pension schemes

6 Interest payable

	2010 £000	2009 £000
On other loans	-	10
On loans from group undertakings	-	2
	<u>-</u>	<u>12</u>

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

7. Exceptional items

	2010 £000	2009 £000
Loss on disposal of tangible fixed assets	544	-
Payment surrender of lease	780	-
Associated legal fees and taxes	60	-
	<u>1,384</u>	<u>-</u>

The company has terminated the lease on a site early. As a result of the termination, the company made a payment in respect of early surrender of the lease together with incurring legal fees and relevant taxes. In addition, all leasehold improvements on the site were surrendered with the lease.

8 Taxation

	2010 £000	2009 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	5	5
Deferred tax (see note 13)		
Origination and reversal of timing differences	(1)	(7)
Tax on (loss)/profit on ordinary activities	<u>4</u>	<u>(2)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - lower than) the standard rate of corporation tax in the UK (21%). The differences are explained below.

	2010 £000	2009 £000
(Loss)/profit on ordinary activities before tax	<u>(829)</u>	<u>934</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	(174)	196
Effects of:		
Expenses not deductible for tax purposes	291	16
Capital allowances for year in excess of depreciation	21	31
Effect of group relief	(133)	(238)
Current tax charge for the year (see note above)	<u>5</u>	<u>5</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

9. Tangible fixed assets

	Leasehold improve- ments £000	Motor vehicles £000	Furniture, fittings and equipment £000	Total £000
Cost				
At 1 April 2009	2,210	258	1,285	3,753
Additions	6	43	112	161
Disposals	(544)	(27)	-	(571)
At 31 March 2010	1,672	274	1,397	3,343
Depreciation				
At 1 April 2009	928	120	1,003	2,051
Charge for the year	107	39	99	245
At 31 March 2010	1,035	159	1,102	2,296
Net book value				
At 31 March 2010	637	115	295	1,047
At 31 March 2009	1,282	138	282	1,702

10 Stocks

	2010 £000	2009 £000
Fuel stocks	22	-

11 Debtors

	2010 £000	2009 £000
Trade debtors	136	50
Amounts owed by group undertakings	616	1,317
Other debtors	27	-
Prepayments and accrued income	889	849
Deferred tax asset (see note 13)	59	58
	1,727	2,274

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

12. Creditors: Amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	574	159
Amounts owed to group undertakings	976	684
Social security and other taxes	132	197
Other creditors	307	300
Accruals and deferred income	209	808
	<u>2,198</u>	<u>2,148</u>

Included within other creditors is an amount of £NIL (2009 £70,000) relating to bond guarantees as described in note 20 to the accounts. This amount is reflected in the cash balances disclosed on the balance sheet.

13. Deferred tax asset

	2010 £000	2009 £000
At beginning of year	58	51
Movement in year	1	7
	<u>59</u>	<u>58</u>

The deferred tax asset is made up as follows

	2010 £000	2009 £000
Depreciation in advance of capital allowances	<u>59</u>	<u>58</u>

14. Share capital

	2010 £000	2009 £000
Allotted, called up and fully paid		
400 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

15. Reserves

	Other reserves £000	Profit and loss account £000
At 1 April 2009	(33)	2,532
Loss for the year		(833)
	<u>(33)</u>	<u>1,699</u>
At 31 March 2010		

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

16. Reconciliation of movement in shareholders' funds

	2010 £000	2009 £000
Opening shareholders' funds	2,500	1,564
(Loss)/profit for the year	(833)	936
Closing shareholders' funds	1,667	2,500

17. Contingent liabilities

i) The company has provided a guarantee, secured by a debenture in favour of Clydesdale Bank Plc to support the borrowings of Holiday Extras Holdings Limited, the holding company of the group in which Airparks Services Limited is a member

At 31 March 2010 the total exposure amounted to £14,057,000 (2009 £5,612,000)

ii) To facilitate repayment of the loan notes issued by HX Properties Limited, a fellow subsidiary, the company has entered into a joint and several intra company loan agreement with other group companies

At 31 March 2010, the total loan notes outstanding amounted to £19,063,000 (2009 £19,876,000)

The repayment date of these loan notes is during the year ended 31 March 2012

18. Pension commitments

The company makes payments into a group personal pension plan available to all employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost included in the financial statements in respect of this scheme is £14,000 (2009 £14,000)

19. Other financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases totalling £1,869,000 (2009 £1,951,000), of which £159,000 (2009 £510,000) relates to operating leases expiring within one year, £516,000 (2009 £354,000) relates to leases expiring between two and five years and the balance relates to leases expiring after more than five years. The leases expiring within one year and between two and five years relate to both land and motor vehicles and those expiring after more than five years relate to land

Airparks Services Limited

Notes to the financial statements for the year ended 31 March 2010

20 Related party transactions

Land owned by Mr and Mrs G N Pack, who are directors of the holding company, Holiday Extras Holdings Limited, has continued to be developed during the year. Costs amounting to £62,000 (2009 £24,000) were funded by Mr and Mrs G N Pack. The company has previously incurred costs of £544,000 relating to this land which was shown as leasehold improvements.

At 31 March 2010, the company held funds of £28,000 (2009 £Nil) due to Mr and Mrs Pack.

The company had provided bonds totalling £70,000 (2009 £70,000) to third parties in respect of works associated with the development of this land during the year. Mr and Mrs G N Pack deposited an equal amount of funds with the company which were returned together with any interest earned when the guarantee expired.

Mr and Mrs G N Pack granted the company a 25 year lease over the land, with an initial rent free period of 2 years.

During the year, the company terminated the lease and consideration of £780,000 has been paid to Mr and Mrs G N Pack for its surrender. Leasehold improvements amounting to £544,000 relating to the site were surrendered at the same time.

The company has also entered into a rolling lease with Mr and Mrs G N Pack in connection with another property.

In the year the company has paid amounts totalling £136,000 (2009 £211,000) combined in respect of rent on the above leases.

All transactions have taken place at market value on normal commercial trading terms.

21. Ultimate parent undertaking and controlling party

The company has taken advantage of the exemption from disclosing related party transactions with its fellow group members provided by paragraph 3c of FRS8 as it is a wholly owned subsidiary undertaking.

The company is a wholly owned subsidiary of ABC Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Holiday Extras Holdings Limited, a company incorporated in England and Wales.

In the opinion of the directors there is no controlling party.