

**Registered number: 6380462**

## **Airparks Management Limited**

**Directors' report and financial statements**

**for the year ended 31 March 2011**

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## **Airparks Management Limited**

### **Company Information**

#### **Directors**

S D Lawrence  
C M Beare  
M G Pack (resigned 26 May 2011)  
H Dove

#### **Company secretary**

C M Beare

#### **Company number**

6380462

#### **Registered office**

Willow House  
Pinewood Business Park  
Marston Greed  
Solihull  
B37 7HG

#### **Auditors**

Reeves & Co LLP  
Statutory Auditor & Chartered Accountants  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

#### **Bankers**

Barclays Bank Plc  
66 High Street  
Ashford  
Kent  
TN24 8TL

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**Airparks Management Limited**

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## **Airparks Management Limited**

### **Directors' report for the year ended 31 March 2011**

The directors present their report and the financial statements for the year ended 31 March 2011

#### **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 continued to see a decline in passenger numbers through the UK airports over the period. In the main this was due to a continued economic downturn, but was exasperated in April 2010 by the Icelandic volcanic ash incident leading to the closure of UK airspace for 5 days.

In this context the trading environment continued to be challenging, with a reduction in passenger numbers leading to increased competition in turn impacting price growth. 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.

In order to meet its day to day working capital requirements the company will rely upon support provided by companies under common control, 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 companies under common control 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 £1,449,000 (2010 - loss £1,841,000).

## **Airparks Management Limited**

### **Directors' report for the year ended 31 March 2011**

#### **Directors**

The directors who served during the year were

S D Lawrence  
C M Beare  
M G Pack (resigned 26 May 2011)  
H Dove

#### **Financial instruments**

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

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

The company's approach to managing other risks applicable to the financial instruments 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

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

During the year, 201 full-time and part-time staff were employed by the company, generating an average turnover of £40,000 each

#### **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

## **Airparks Management Limited**

### **Directors' report for the year ended 31 March 2011**

#### **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 & Co 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 23 September 2011 and signed on its behalf



**C M Beare**  
Director

## **Airparks Management Limited**

### **Independent auditors' report to the shareholders of Airparks Management Limited**

We have audited the financial statements of Airparks Management Limited for the year ended 31 March 2011, set out on pages 6 to 13. 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 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.

### **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 March 2011 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 Management Limited**

### **Independent auditors' report to the shareholders of Airparks Management 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 remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

**Reeves & Co LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

26 September 2011



# Airparks Management Limited

## Profit and loss account for the year ended 31 March 2011

	Note	2011 £000	2010 £000
Turnover	1,2	7,962	8,025
Cost of sales		(8,540)	(9,070)
<b>Gross loss</b>		<b>(578)</b>	<b>(1,045)</b>
Administrative expenses		(655)	(755)
Other operating income		126	142
<b>Operating loss</b>	3	<b>(1,107)</b>	<b>(1,658)</b>
Interest receivable and similar income		18	13
Interest payable and similar charges	5	(360)	(196)
<b>Loss on ordinary activities before taxation</b>		<b>(1,449)</b>	<b>(1,841)</b>
Tax on loss on ordinary activities		-	-
<b>Loss for the financial year</b>	12	<b>(1,449)</b>	<b>(1,841)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 8 to 13 form part of these financial statements

**Airparks Management Limited**  
**Registered number: 6380462**

**Balance sheet**  
**as at 31 March 2011**

	Note	£000	2011 £000	£000	2010 £000
<b>Fixed assets</b>					
Tangible assets	6		499		419
<b>Current assets</b>					
Stocks	7	20		25	
Debtors	8	2,419		1,760	
Cash at bank and in hand		2,543		2,724	
		<u>4,982</u>		<u>4,509</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(7,435)</u>		<u>(9,058)</u>	
<b>Net current liabilities</b>			<u>(2,453)</u>		<u>(4,549)</u>
<b>Total assets less current liabilities</b>			<u>(1,954)</u>		<u>(4,130)</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(3,625)</u>		<u>-</u>
<b>Net liabilities</b>			<u>(5,579)</u>		<u>(4,130)</u>
<b>Capital and reserves</b>					
Called up share capital	11		-		-
Profit and loss account	12		<u>(5,579)</u>		<u>(4,130)</u>
<b>Shareholders' deficit</b>	13		<u>(5,579)</u>		<u>(4,130)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2011



**C M Beare**  
Director



**H Dove**  
Director

The notes on pages 8 to 13 form part of these financial statements

## **Airparks Management Limited**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **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 companies under common control, 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 company 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 companies under common control 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 Recognition of income**

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
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

## Airparks Management Limited

### Notes to the financial statements for the year ended 31 March 2011

#### 1. Accounting policies (continued)

##### 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

##### 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

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period

#### 2. Turnover

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

All turnover arose within the United Kingdom

#### 3. Operating loss

The operating loss is stated after charging

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the company	93	103
Auditors' remuneration	7	7
Operating lease rentals		
- other operating leases	1,214	1,184
	<u>1,214</u>	<u>1,184</u>

During the year, no director received any emoluments (2010 - £NIL)

# Airparks Management Limited

## Notes to the financial statements for the year ended 31 March 2011

### 4. Staff costs

Staff costs were as follows

	2011 £000	2010 £000
Wages and salaries	3,106	3,518
Social security costs	240	268
Other pension costs	13	17
	<u>3,359</u>	<u>3,803</u>

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

	2011 No	2010 No
Administration and operational staff	<u>201</u>	<u>209</u>

### 5. Interest payable

	2011 £000	2010 £000
On loans from group undertakings	<u>360</u>	<u>196</u>

### 6. Tangible fixed assets

	Leasehold improve- ments £000	Motor vehicles £000	Furniture, fittings and equipment £000	Total £000
<b>Cost</b>				
At 1 April 2010	135	85	418	638
Additions	56	17	101	174
Disposals	-	(1)	-	(1)
At 31 March 2011	<u>191</u>	<u>101</u>	<u>519</u>	<u>811</u>
<b>Depreciation</b>				
At 1 April 2010	10	36	173	219
Charge for the year	17	14	62	93
At 31 March 2011	<u>27</u>	<u>50</u>	<u>235</u>	<u>312</u>
<b>Net book value</b>				
At 31 March 2011	<u>164</u>	<u>51</u>	<u>284</u>	<u>499</u>
At 31 March 2010	<u>125</u>	<u>49</u>	<u>245</u>	<u>419</u>

# Airparks Management Limited

## Notes to the financial statements for the year ended 31 March 2011

### 7. Stocks

	2011 £000	2010 £000
Fuel stocks	20	25

### 8. Debtors

	2011 £000	2010 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	632	-
<b>Due within one year</b>		
Trade debtors	104	62
Amounts owed by group undertakings	190	143
Other debtors	-	47
Prepayments and accrued income	1,493	1,508
	<b>2,419</b>	<b>1,760</b>

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

	2011 £000	2010 £000
Trade creditors	1,033	1,610
Amounts owed to group undertakings	5,369	6,912
Social security and other taxes	140	57
Other creditors	72	60
Accruals and deferred income	821	419
	<b>7,435</b>	<b>9,058</b>

### 10 Creditors: Amounts falling due after more than one year

	2011 £000	2010 £000
Amounts owed to group undertakings	3,625	-

### 11. Share capital

	2011 £000	2010 £000
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	-	-

## Airparks Management Limited

### Notes to the financial statements for the year ended 31 March 2011

#### 12. Reserves

	Profit and loss account £000
At 1 April 2010	(4,130)
Loss for the year	(1,449)
At 31 March 2011	<u>(5,579)</u>

#### 13 Reconciliation of movement in shareholders' deficit

	2011 £000	2010 £000
Opening shareholders' deficit	(4,130)	(2,289)
Loss for the year	<u>(1,449)</u>	<u>(1,841)</u>
Closing shareholders' deficit	<u>(5,579)</u>	<u>(4,130)</u>

#### 14. Contingent liabilities

i) The company has provided a guarantee until 6 June 2011, 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 Management Limited is a member

At 31 March 2011 the total exposure amounted to £9,731,000 (2010 £14,057,000)

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 agreements with other group companies

At 31 March 2011, the total loan notes outstanding amounted to £19,063,000 (2010 £19,063,000)  
Subsequent to the year end, the loan notes were re-negotiated and as a result of this have no fixed repayment date

#### 15 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 in the financial statements in respect of the scheme is £13,000 (2010 £17,000)

At 31 March 2011, there were outstanding contributions of £NIL (2010 £1,000) due to the pension scheme

## **Airparks Management Limited**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **16. Other financial commitments**

i) The company procures some of its parking facilities under management agreements and under the terms of these agreements the company has annual management fees payable totalling £3,000,000 (2010 £2,975,000)

ii) In addition, at 31 March 2011 the company had annual commitments under non-cancellable operating leases totalling £1,107,000 (2010 £1,107,000), of which £191,000 (2010 £Nil) relates to operating leases expiring within one year, £78,000 (2010 £269,000) 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 relates to motor vehicles and those expiring between two and five years and after more than five years relate to motor vehicles and land.

#### **17. Post balance sheet events**

Subsequent to the year end and in accordance with joint and several intra group loan arrangements, the debt due to undertakings under common control has been secured by way of a debenture over the assets of this company.

#### **18. 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 HX Investments 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.